

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

F	I	L	I	N	V	E	S	T		D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T
I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S										

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

T	H	E		B	E	A	U	F	O	R	T	,		5	T	H		A	V	E	N	U	E		C	O	R	N	E
R		2	3	R	D		S	T	R	E	E	T	,		B	O	N	I	F	A	C	I	O		G	L	O	B	A
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I	L	A																											

Form Type

1	7	-	A	
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Department requiring the report

S	E	C	
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Secondary License Type, If
Applicable

N	A		
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COMPANY INFORMATION

Company's Email Address

www.filinvestgroup.com

Company's Telephone Number

7798-3977

Mobile Number

NONE

No. of Stockholders

3,972

Annual Meeting (Month / Day)

Last Friday of April

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ven Christian S. Guce

Email Address

ven.guce@filinvestgroup.com

Telephone Number/s

7798-3977

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

**The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City 1634,
Metro Manila**

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

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE (SRC) AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the calendar year ended **December 31, 2025**
2. Commission identification **Number 51048.** 3. BIR Tax Identification **000-053-167-000.**
4. Exact name of registrant as specified in its charter: **FILINVEST DEVELOPMENT CORPORATION**
5. **Philippines** 6.  **(SEC Use Only)**
Province, Country or other jurisdiction of incorporation or organization or Industry Classification Code:
7. **The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila 1634**
Address of principal office Postal Code
8. **02-7798-3977**
Issuer's telephone number, including area code
9. _____
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common and Preferred Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| Common stock, ₱1.00 par value | 8,648,462,987 shares |
| Preferred Series A, ₱1.0 par value | 2,310,015 shares |
| Preferred Series B, ₱1.0 par value | 5,689,985 shares |
| | ₱125,678.8 million total consolidated debt (long-term and short-term debt) |
11. Are any or all of these securities listed in the Philippines Stock Exchange?
Yes [☒] No [☐]
12. Check whether the issuer:
(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
Yes [☒] No [☐]
(b) has been subject to such filing requirements for the past 90 days.
Yes [☒] No [☐]
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**Shares Held by Non-Affiliates as of
December 31, 2025**
928,225,499
Shares

**Market Value per Share as of
December 31, 2025**
₱4.55 per share

**Total Market Value
as of December 31, 2025**
₱4.2 Billion

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEAR:**

14. Check whether the Issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court of the Commission.

Yes [☐]

Not Applicable

No [☐]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated
- (a) Any annual report to security holders;
 - (b) Any information statement filed pursuant to SRC Rule 20;
 - (c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

1.1 Corporate Information, History, Developments, Form and Organization

Filinvest Development Corporation (FDC or the Parent Company) was incorporated in the Philippines on April 27, 1973, and has evolved from businesses established by the Gotianun Family since 1955. Originally engaged in the small-scale financing of second-hand cars, the Gotianun Family later expanded into consumer finance in partnership with foreign institutions, such as Chase Manhattan Bank, Westinghouse Electric Corporation and Ford Philippines. By the early 1980s, the Gotianun Family's Filinvest Credit Corporation became one of the leading consumer finance companies in the Philippines in terms of assets. Over time, the "Filinvest" name became established and well-recognized in the Philippines not only in financing and banking but also in real estate development and other lines of business.

In 1967, the Gotianun Family entered the real estate business through the incorporation of Filinvest Realty Corporation, which was engaged in the development of residential subdivisions. In 1984, the Gotianun Family consolidated their real estate interests in FDC after divesting their shares in Family Bank and Trust Company (Family Bank) and the Insular Bank of Asia and America. By 1990, FDC expanded its product line to include the construction and sale of low-cost and medium-cost housing units. Thereafter, the product line was further expanded to include the development of commercial district, leisure projects such as farm estates and sports clubs, and construction of residential and office condominiums.

Filinvest Land Inc. (FLI) was incorporated on November 24, 1989, as Citation Homes, Inc. and later changed its name to FLI on July 12, 1993. It began commercial operations in August 1993 after FDC spun off its real estate operations and transferred all related assets and liabilities to FLI in exchange for shares of FLI. FLI shares were listed on the Philippine Stock Exchange (PSE) on October 25, 1993. As of December 31, 2025, FDC beneficially owns 71.4% of FLI's outstanding common shares and all of its issued and outstanding preferred shares.

Filinvest Alabang, Inc. (FAI) was incorporated on August 25, 1993, for the joint development with the Philippine government of Filinvest City in Alabang, Muntinlupa City. The development of Filinvest City started the foray of the Parent Company and its subsidiaries (collectively referred to as the "Filinvest Group" or the "Group") in central business district development and has since successfully ventured into retail, office, high-rise residential and leisure club development. FDC directly owns 80.0% of FAI's issued and outstanding shares, with FLI holding the remaining 20.0%. Thus, FDC's effective interest in FAI is 94.2% as of December 31, 2025.

In 1994, FDC decided to re-enter the banking and financial services business based on the then strengthening fundamentals of the Philippine economy and the Gotianun Family's prior experience in this business in the 1970s and 1980s. FDC incorporated East West Banking Corporation (EW or the Bank) in March 1994. On May 7, 2012, EW was publicly listed on the PSE. As of December 31, 2025, including its 37.9% ownership interest through FDC Ventures, Inc. (formerly FDC Forex Corporation, FVI), FDC effectively owns 77.9% of EW's issued and outstanding shares. Its market capitalization as of December 31, 2025, was ₱26.1 billion.

To diversify FDC's business and position, it acquired 100.0% of the issued and outstanding shares of Pacific Sugar Holdings Corporation (PSHC) from A.L. Gotianun, Inc. (ALGI) on June 29, 2007. PSHC owns three (3) Mindanao-based sugar companies, namely, Davao Sugar Central Company, Inc. (DSCC), Cotabato Sugar Central Company, Inc. (CSCC) and High Yield Sugar Farms Corporation (HYSFC), collectively referred to as the Sugar Group. The Sugar Group is engaged in agricultural land development, sugarcane production, sugar milling, and the manufacture and sale of raw and refined sugar and related by-products.

The Group is also involved in utility-related businesses, including investment holding, power generation, renewable energy, retail electricity supply, and water and wastewater services. In December 2009, FDC incorporated FDC Utilities, Inc. (FDCUI) to serve as the Group's holding company for its utilities and energy-related investments, with subsidiaries engaged in electricity generation and supply, renewable energy development, and water and wastewater operations.

The Group has been involved in the water supply business since 2012 through its subsidiary Countrywide Water Services, Inc. (CWSI), which provides water and wastewater services. Its water services include the supply and distribution of potable water to domestic, commercial and industrial users while its wastewater services include the treatment of domestic and commercial sewage.

The Group is also involved in the development, operation and management of hotels and resorts that cater to various market segments. In August 2011, FDC formed its wholly owned subsidiary Filinvest Hospitality Corporation (FHC) to serve as the primary developer and owners' representative of Group-owned hotel and resort properties.

Following the award of a provisional gaming license to Mimosa Cityscapes, Inc. (MCI), a wholly owned subsidiary of FHC, by the Philippine Amusement and Gaming Corporation (PAGCOR) in April 2018, the Group intends to extend its hospitality offering to include an integrated resort within the Filinvest Mimosa+ Leisure City development. The Group intends to outsource the operation of the casino to an established third-party gaming operator. MCI has ongoing discussions with a potential operating partner for the integrated resort development.

As part of the Group's continued expansion, in January 2019, as part of the North Luzon Airport Consortium (NLAC), FDC entered into a 25-year concession agreement for the operation and maintenance of the Clark International Airport (CIA) passenger terminal and the fit-out and operation and maintenance of a new terminal building. In February 2019, NLAC formed Luzon International Premiere Airport Development Corp. (LIPAD), which is owned 42.5% by FDC, 33.0% by JG Summit Holdings Inc. (JGSHI), 15.0% by Changi Airports Philippines (I) Pte. Ltd. (CAP) and 9.5% by the Philippine Airport Ground Support Solutions, Inc. (PAGSSI). In August 2019, LIPAD took over the operation and maintenance of the existing CIA terminal. The ceremonial handover of the new terminal to the consortium took place in January 2021. Boasting state-of-the-art facilities including superior accessibility, the CIA New Terminal formally started operations on May 2, 2022, welcoming both domestic and international travellers. Also, with a capacity of 8.0 million passengers annually, the terminal allows airport users to have the space and breathing room to move with ease.

In October 2019, FAI signed a joint venture agreement with Japanese company Mitsubishi Corporation (Mitsubishi) for the development of a P15-billion multi-tower mixed-use complex within Filinvest City. Mitsubishi has a 40% stake in the development of a 1.7-hectare prime lot that is seen to bolster mixed-use gross floor area (GFA) by approximately 200,000 square meters.

The Group also signed a joint venture agreement with Japanese company, Hitachi Aqua-Tech Engineering Pte Ltd. (HAQT), to establish Filinvest-Hitachi Omni Waterworks, Inc. (FLOW) to be able to tap into the latest developments in water technology such as desalination. FDC Water Utilities Inc. (FWUI), a wholly owned subsidiary of FDCUI, was awarded in July 2021, a 25-year 80 million liters per day (MLD) bulk water supply project with Metro Cebu Water District (MCWD) for the provision of desalinated potable water to Cebu City, Lapu-Lapu City and Talisay City. Upon signing of the contract with MCWD, FWUI will immediately commence with the construction of the desalination facilities utilizing seawater to be processed by means of the High Recovery Seawater Desalination Technology of its technical partner, Hitachi Ltd., Japan.

The Parent Company's registered business address is at The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila. The Company's common shares and preferred shares are listed on the PSE, with the common shares listed on December 22, 1982, and the Series A and Series B preferred shares listed on August 8, 2025 under the trading symbols FDCPA and FDCPB, respectively.

ALGI is the ultimate parent company of FDC and its subsidiaries. ALGI's business address is located at 32nd Floor, Parkway Corporate Center, Corporate Avenue, Filinvest City, Alabang, Muntinlupa City, Metro Manila.

1.2 Bankruptcy, Receivership or Similar Proceedings

There was no bankruptcy, receivership or similar proceedings filed by the Company and/or any of its significant subsidiaries during the past 3 years.

1.3 Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary) over the past 3 years

Other than the acquisitions discussed in the preceding section, there were no material reclassifications, mergers, consolidations or purchases or sales of significant amount of assets (not ordinary) by the Company and/or its significant subsidiaries during the past 3 years.

1.4 Significant Subsidiaries, Segments and Business Groups

1.4.1 Real Estate Operations

A. Filinvest Land, Inc. (FLI)

Overview

Filinvest Land Inc. ("FLI") is one of the leading real estate developers in the country, providing a wide range of real estate products to residential and commercial customers. FLI (including its predecessor's operations) has over 50 years of real estate expertise and has developed over 2,500 hectares of land, having provided home/home sites for over 200,000 families.

FLI is one of the largest nationwide residential developers in 55 cities and towns in 22 provinces in the Philippines. It is also one of the largest mid-rise buildings (MRB) developers in the country today and a market leader in the affordable and middle-income residential segments. It currently owns land bank of 1,578.3 hectares and has joint ventures arrangement for another 196.5 hectares, totaling 1,774.8 hectares under its control and management for sustainable future growth.

FLI offers a range of real estate products from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects and condominium buildings. FLI also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, Dumaguete and Clark Mimosa. Upcoming locations are New Clark City (NCC), Ortigas, Manila, among others in the pipeline.

FLI now operates 40 office buildings totaling 720,314 square meters and 256,830 sq.m. Gross Leasable Area (GLA) in retail portfolio.

With a more diversified portfolio, FLI expects to generate stable recurring revenue from its retail and office investment properties. These recurring revenues can, in turn, be used to provide internally generated

funding for other projects. FLI is not and has never been a subject of any bankruptcy, receivership, or similar proceedings.

19.2-hectare South Road Properties

In July 2015, FLI, Filinvest REIT Corp. (“FILRT”) and Filinvest Alabang, Inc. (“FAI”) (collectively referred to as “Filinvest Consortium”) won the bidding for a 19.20-hectare lot in Cebu’s South Road Properties (SRP). Thereafter, on August 7, 2015, the Filinvest Consortium entered into a Deed of Sale on Installment (DSI) with the Cebu City Government. In a letter dated January 6, 2017, the Cebu City Mayor questioned the validity of the sale and gave the buyers the option to withdraw from the sale at buyer’s discretion. In a letter to the Cebu City Mayor dated February 7, 2017 (the Letter), Filinvest Consortium expressed its intention to rescind the DSI. Under the DSI, Cebu City undertook to comply with several covenants, undertakings and obligations no later than February 7, 2016 (or 180 days from execution of the DSI). The Letter pointed out that as of February 7, 2017, the said covenants, undertakings and obligations have not been complied with and it does not appear that these will be complied with within a foreseeable reasonable period of time.

The rescission of the DSI shall only take effect upon return by Cebu City of the down payment and installment payments made to Cebu City by Filinvest Consortium, plus interests, within ninety (90) days from receipt of the Letter in accordance with Section 5.7 of the DSI. Pending receipt of such payments, the DSI shall remain valid and subsisting by and among the parties.

As of February 27, 2019, such payment has not been received, and no formal and definitive legal proceeding has been undertaken by the parties on this matter. Consequently, as of said date, the DSI remains valid and Filinvest Consortium has the sole and rightful claim over the property.

The 19.2-hectare property mentioned above is a separate property from the other two (2) properties within the SRP which were acquired from Cebu City: a) the 40-hectare property under a joint venture undertaking with Cebu City; and b) the 10-hectare property which was already paid in full by FLI to Cebu City.

On August 2, 2019, Filinvest Consortium informed Cebu City that the payments will be judicially consigned in accordance with law considering that to date, Cebu City has not yet returned the payments with interest, thus, the conditional rescission has already expired. In response, Cebu City issued a letter dated October 4, 2019 to FLI Consortium and insisted that the latter has no longer any debt to Filinvest Consortium as the DSI was effectively rescinded. Cebu City reiterates its willingness to restitute the Filinvest Consortium of the amount it has already paid prior the rescission.

The Cebu City Government and Filinvest Consortium came to a resolution on January 8, 2020 with the full payment and the signing of the Deed of Absolute Sale. The Filinvest Consortium paid on December 17, 2019 the full amount of the purchase price of the lot plus the accumulated interest for the unpaid installments since 2017. Accordingly, the matter has been resolved.

The carrying value of the property amounted to ₱1.48 billion as of December 31, 2025.

FLI Subsidiaries

The consolidated financial statements of FLI include the accounts of FLI and its subsidiaries. The nature of business and the corresponding percentages of ownership of FLI over these entities as at December 31, 2025, 2024 and 2023 are summarized below. The voting rights held by the FLI in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	2025	2024	2023
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100	100	100
FCGC Corporation (FCGCC)	Real estate developer	100	100	100
Filinvest BCDA Clark, Inc. (FBCI) ¹	Real estate developer	55	55	55
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	100	100	100
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	100	100	100
SJR Developers, Inc. (SDI)	Real estate developer	100	100	100
Niyog Property Holdings, Inc. (NPHI) ²	Real estate developer	100	100	100
Cajel Realty Corporation (CRC) ²	Real estate developer	100	100	100
Crystal Ball Realty & Management Inc. (CBRM)	Real estate developer	100	100	100
Cloverleaf Holdings Corporation (CHC)	Real estate developer	100	100	100
Filinvest REIT Corp. (FILRT) ³	Leasing	63	51	63
Filinvest Asia Corporation (FAC)	Leasing	60	60	60
Filinvest Cyberparks, Inc. (FCI)	Leasing	100	100	100
Filinvest Clark Mimosa, Inc. (FCMI)	Leasing	100	100	100
Festival Supermall, Inc. (FSI)	Property management	100	100	100
FSM Cinemas, Inc. (FSM Cinemas) ⁴	Theater operator	60	60	60
Filinvest Lifemalls Corporation (FLC)	Property management	100	100	100
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	100	100	100
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	100	100	100
ProOffice Works Services, Inc. (ProOffice)	Property management	100	100	100
Property Specialist Resources, Inc. (Prosper)	Property management	100	100	100
Co-Living Pro Managers Corp. (CPMC)	Property management	100	100	100
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60	60	60
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational Sports and Natures Club	98	98	98
Nature Specialists, Inc. (NSI)	Recreational and hospitality business operator	75	75	75
Leisurepro, Inc. (Leisurepro)	Marketing	100	100	100
Proleads Philippines, Inc. (PPI)	Marketing	100	100	100
Property Leaders International Limited (PLIL)	Marketing	100	100	100
Property Maximizer Professional Corp. (Promax)	Marketing	100	100	100
Realpros Philippines, Inc. (RPI)	Marketing	100	100	100
FREIT Fund Managers, Inc. (FFMI)	Fund Manager	100	100	100
OurSpace Solutions, Inc. (OSI) ⁵	Coworking spaces	70	70	70

Notes:

1. FBCI is owned indirectly through FCGCC.
2. NPHI and CRC were acquired in 2023 through a share purchase agreement with Rizal Commercial Banking Corporation.
3. FLI's ownership interest in FILRT was reduced to 51% in 2024 mainly as result of FLI's voluntary tender offer. In 2025, FLI's ownership interest in FILRT increased to 63%, through a tax-free property-for-share swap.
4. FSM Cinemas is owned indirectly through FSI.
5. On August 2, 2023, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KMC Community, Inc. (KCI), resulting to FLI's 70% ownership in OSI.

Except PLIL which was incorporated in British Virgin Islands, all of FLI's subsidiaries were incorporated in the Philippines. The financial statements of the subsidiaries are prepared for the same reporting period as FLI using consistent accounting policies.

Detailed discussion of each subsidiary follows:

- FAPI was incorporated on September 25, 2006 to develop the TSNC and Phase 2 of Timberland Heights
- FCGCC was incorporated on February 11, 2016 to undertake the development of the Clark Green City (now New Clark City) Project under the Joint Venture Agreement with Bases Conversion and

Development Authority (BCDA). On March 16, 2016, FBCI, a joint venture company with BCDA, was incorporated to handle the aforementioned development. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA. As of December 31, 2024, FCGCC and FBCI had started commercial operations.

- On January 19, 2018, FLI entered into a Share Sale and Purchase Agreement to purchase 100% of the total outstanding shares of GPRDI for a total consideration of ₱1.71 billion. The primary purpose of GPRDI is to hold, purchase, lease, contract otherwise acquire any and all real and personal properties. GPRDI has not started its commercial operations as of December 31, 2024.
- Homepro was incorporated on March 25, 1997 and started commercial operations on January 1, 2004.
- Filinvest REIT Corp. or FILRT (*formerly Cyberzone Properties, Inc. or CPI*)
 - CPI was incorporated on January 14, 2000 and began commercial operations on May 1, 2001. CPI is registered with the Philippine Economic Zone Authority (PEZA) as an Economic Zone Facilities Enterprise, which entitles CPI to certain tax benefits and non-fiscal incentives such as paying a 5% tax on its modified gross income in lieu of national and local taxes. CPI is also entitled to zero percent value-added tax on sales made to other PEZA-registered enterprises. CPI owns and operates the IT buildings in Northgate Cyberzone, located in a 10-hectare parcel of land within Filinvest City owned by FLI. CPI also leases a parcel of land measuring 2,831 sq.m. located in EDSA on which CPI built a 5-storey BPO building with a total GLA of 7,358 sq.m.
 - On January 20, 2021, FLI announced, through a PSE disclosure, that its Board of Directors (BOD) has approved the transition of Cyberzone Properties, Inc. (CPI) into a Real Estate Investment Trust (REIT) company. CPI is intended to be listed on the PSE in compliance with the minimum public ownership requirements under Philippine securities regulations and the Real Estate Investment Trust Act of 2009 and its implementing rules and regulations and under such terms and conditions as FLI's BOD may subsequently approve.
 - On June 25, 2021, the shareholders of CPI, approved the following amendments to its Articles of Incorporation: (i) change of name of the Company from "Cyberzone Properties, Inc." to "Filinvest REIT Corp.", (ii) reduction of the par value of its shares, and (iii) increase of the CPI's authorized capital stock. The change in name of CPI, the reduction in the par value of its shares, and the increase in its authorized capital stock were approved by the Philippine Securities and Exchange Commission (SEC) on July 2, 2021.
 - On August 12, 2021, Filinvest REIT Corp. ("FILRT") was listed and traded in the Philippine Stock Exchange under the PSE ticker symbol FILRT. As a result of the listing, FLI's interest in FILRT decreased to 63.3%. The transaction was accounted for as an equity transaction since there was no change in control over FILRT. Net proceeds from the public offering amounted to ₱12.13 billion and resulted in additions to retained earnings and noncontrolling interest amounting to ₱10.47 billion and ₱1.66 billion, respectively as of December 31, 2021.
 - On December 11, 2024, FLI settled its Capped Voluntary Tender Offer, which was filed on October 2, 2024. FLI has reacquired a total of 1,866,000,000 common shares in exchange for 597,120,000 FILRT common shares. The shareholders were offered 0.32 FILRT shares for every 1.00 FLI shares tendered. As a result of the voluntary tender offer, FLI's interest in FILRT decreased to 51.1% and the costs of treasury shares amounted to ₱1.86 billion. As of December 31, 2024, the noncontrolling interest in FILRT represents 48.9%.
 - On January 24, 2025, FLI's and FILRT's BOD approved the sale of FLI real property to FILRT under a tax-free property-for-share swap transaction. FLI will transfer its ownership over Festival Mall-Main Mall, located at Filinvest City, Alabang, Muntinlupa City, in favor of FILRT, in

exchange for 1,626,003,316 primary common shares of FILRT at an issue price of ₱3.85 per share, with a total value of ₱6.26 billion. The said transaction will allow FLI to increase its equity in FILRT from 51.06% to 63.27%.

- A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income tax-free entity.
- As of December 31, 2025 and 2024, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a “no-tax” regime. Accordingly, the Group did not recognize any deferred taxes in 2025 and 2024.
- FAC was incorporated on January 22, 1997 and as at date of this report is 60%-owned by FLI and 40%-owned by Reco Herrra Pte.Ltd. (RHPL). RHPL is 100% beneficially owned by the Government of Singapore Investment Corporation Pte. Ltd (GIC). FAC owns 50% of the 52-storey PBCom Tower, which is strategically located at the corner of Ayala Avenue and V. A. Rufino Streets in the Makati City Central Business District. FAC owns 35,148 sq. m. of leasable office space. The remaining 50% of PBCom Tower is owned by the Philippine Bank of Communications.

The PBCom Tower is registered as an information technology building by PEZA. Consequently, tenants occupying space in PBCom Tower are entitled to avail of certain fiscal incentives, such as a 5% tax on modified gross income in lieu of the national and local taxes, income tax holidays and zero-rated vat in certain cases.

- FCI was incorporated on February 4, 2014. Its primary purpose is to acquire by purchase, lease, donate and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, hold for investment and deal with real estate of all kinds.
- FCMI was incorporated on January 23, 2017. Its primary purpose is to acquire by purchase, lease except financial leasing, donation or and hold for investment or otherwise deal in real estate of all kinds, nature, purpose and/or any interest or right therein. FCMI started its commercial operations in May 2018. FCMI is registered with Clark Development Corporation (CDC) as a Clark Freeport Enterprise enjoying incentives similar to PEZA such as zero percent VAT on its revenues and 5% income tax on modified gross income, in lieu of local and national taxes.
- FSI is the property manager of Festival Supermall and other commercial centers of the Group. FSI also owns 60% equity interest in FSM Cinemas, Inc. which is engaged in theater operations. The transaction was accounted for using the pooling of interest method wherein the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts.
- FLC, formerly Whiluc Realty & Mgt., Inc., is organized to invest in, purchase, hold, use, develop, lease, sell, assign, transfer mortgage, enjoy or otherwise dispose of, as may be permitted by law, all properties of every kind, nature and description and wherever situated, of any corporation.
- FLMI was incorporated on January 23, 2017. Its primary purpose is to acquire by purchase, lease except financial leasing, donation, or otherwise, and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise deal in real estate of all kinds, nature and purpose and/or any interest or right therein. FLMI has not started its commercial operations as of December 31, 2025.
- FLTI was incorporated on November 20, 2017. Its primary purpose is to acquire by purchase, lease (except financial leasing), donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise deal in real estate of all kinds

in order to develop, conduct, operation, lease, and maintenance of retail and commercial space for rent, restaurants, function halls, amusement centers, movie or cinema theaters within the compound to premises of the shopping centers. FLTI started its commercial operations in March 2018.

- ProOffice was incorporated on March 18, 2019 to engage in the business of administration, maintenance and management of real estate developments and projects. ProOffice started commercial operations in August 2019.
- Prosper was incorporated on June 10, 2002 and started commercial operations on January 01, 2004. Prosper is engaged in the purchase, lease and management of hotel and resort properties, and is currently managing the condotel operations of a high-rise condominium (Grand Cenia) and hotel project (Quest Hotel) of FLI. Prior to Prosper's condotel and hotel management business. Prosper was engaged in the business of real estate marketing.
- FSM Cinemas was incorporated on April 23, 1998 to engage in servicing, booking, and arranging of films, programs, shows, plays, and movies of all kinds, types, makes, and colors for movie houses, theaters, or cinemas and to exhibit, lease, rent, run or operate movie houses, theaters, cinemas, as well as, supply equipment, machines and accessories needed in cinemas, theaters or movie houses.
- On April 15, 2015, FLI and Engie Services Philippines (ENGIE) entered into a joint venture agreement to establish PDDC. On July 31, 2015, PDDC was registered with the SEC to engage in the business of building and operating a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City. PDDC is 60% owned by FLI and 40% owned by ENGIE.
- On July 18, 2018, the SEC approved TSNC's application on voluntary revocation of its secondary registration which allowed TSNC to proceed with the transition to its new business model. On November 15, 2018, the BOD approved the amendment to change the primary purpose of the Club from an exclusive recreational sports club to a for-profit commercial facility. On July 24, 2019, TSNC submitted its Amended Articles of Incorporation to SEC. The amendments include (a) change of the primary purpose of TSNC from that of an exclusive recreational sports club to a real estate development Company; (b) change of TSNC's principal address from No. 173 P. Gomez Street, San Juan, Metro Manila to Timberland Heights, Barangay Malanday, San Mateo Rizal; (c) converting of TSNC's capital stock from no par value club shares to par value shares; (d) removal of provisions which characterizes TSNC as an exclusive nonprofit association; and (e) removal of paragraphs which relate to the operations of an exclusive recreational sports club. On August 1, 2019, the SEC approved TSNC's application for voluntary revocation of its secondary registration. On August 18, 2019, the SEC approved TSNC's Amended Articles of Incorporation.
- Leisurepro was incorporated on April 21, 2004 and started commercial operations on January 1, 2006. The company is inactive since 2010.
- PPI was incorporated on March 29, 2017 to provide management, organizational, and other administrative services and training. PPI started its commercial operations in November 2017.
- PLIL, a company limited by shares, was registered at the territory of the British Virgin Islands on February 7, 2017. PLIL has not started its commercial operations as of December 31, 2022
- Promax was incorporated on October 3, 1997. It is engaged in real estate marketing business and handles the marketing and sale of socialized, affordable, middle income, high-end and farm estate property development projects of FLI.
- RPI was incorporated on August 3, 2017 to provide administrative support services and skills training primarily through the use of information technology, licensed software, and systems. RPI has started its commercial operations in November 2017.

- NSI was incorporated on August 24, 2018 to conduct real estate activities primarily focusing on hotels, inns, resorts, lodging houses and all adjunct accessories thereto, including restaurants, cafes, bars, stores, offices, etc. NSI has opened on March 14, 2021.
- FFMI was incorporated on April 13, 2021 to engage in business of providing fund management services to REIT companies.
- CPMC was incorporated on August 2, 2021 in to engage in business of developing, operating, managing, and maintaining dormitels, lots and buildings whether owned or leased, to make such dormitels available for all clients for temporary stay as well as any and all services and facilities incidental thereto. CPMC has started commercial operations last November 2023.
- OSI was incorporated on May 26, 2022 to engage in developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. On May 22, 2023, OSI issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI, for the development and management of flexible workspaces.
- On December 14, 2022, FLI entered into a Deed of Assignment to purchase 100% ownership in SDI. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartment and other structures.

Business Groups, Product Categories, Target Markets and Revenue Contribution

FLI is now composed of two business segments with corresponding product categories, target markets and revenue contributions as follows:

The two main lines of business are the (1) real estate sales and (2) recurring income business which covers the leasing of offices, retail malls, industrial spaces, and dormitel and hotel operations.

Real Estate Sales Segment

FLI's main real estate activity since it started operations has been the development and sale of residential property, primarily housing units and subdivision lots; in certain cases, provision of financing for unit sales.

Residential Projects

FLI is able to tap the entire residential market spectrum with the following range of housing units catering to various income segments:

Socialized housing: These developments are marketed and sold under FLI's Pabahay brand and consist of projects where lots typically sell for ₱160,000 or less per lot and housing units typically sell for ₱580,000 or less per unit. Buyers for these projects are eligible to obtain financing from the Government-mandated PAGIBIG Fund. Maximum sale prices for FLI's specialized housing products do not exceed the Government-mandated ceiling of ₱580,000 per unit. Any income realized from the development and improvement of socialized housing sites are exempt from taxation. In October 2023, the price limit for socialized housing increased to ₱850,000.

Affordable housing: These developments are marketed and sold under FLI's Futura Homes brand and consist of projects where lots are typically sold at prices ranging from above ₱160,000 to ₱750,000 and housing units from above ₱850,000 to ₱2,500,000. FLI designs and constructs homes in this sector with the capacity and structural strength to give the owner the option to place an additional storey, which can double the available floor area. Affordable housing projects are typically located in provinces bordering Metro Manila, including Bulacan, Laguna, Batangas and Cavite, and in key regional cities and provinces such as Tarlac, Cebu, Davao, Palawan, Bacolod and Koronadal. Construction of a house in this sector is usually completed approximately six months from the completion of the required down payment.

Middle-income housing: These developments are marketed and sold under FLI's Aspire brand and consist of projects where lots are typically sold at prices ranging from above ₱750,000 to ₱1,200,000 and housing units from above ₱2,500,000 to ₱4,000,000. Middle-income projects are typically located within Metro Manila, nearby provinces such as Rizal, Cavite, Pampanga and Laguna, and major regional urban centers in Cebu, Davao, and Zamboanga.

High-end housing: Marketed under Filinvest Prestige brand, these developments consist of projects where lots are sold at prices above ₱1,200,000 and housing units for above ₱4,000,000. FLI's high-end projects are located both within Metro Manila and in areas immediately outside Metro Manila.

Other Real Estate Projects

In order to achieve product and revenue diversification, FLI has added the following projects so as to cater to other market niches:

a. Townships

Townships are master-planned communities to include areas reserved for the construction of anchor facilities and amenities. FLI believes that these facilities and amenities will help attract buyers to the project and will serve as the nexus for the township's community. Anchor developments could include schools, hospitals, churches, commercial centers, police stations, health centers and some other government offices.

Filinvest at New Clark City

This 288-hectare property will be transformed into a vibrant mixed-use master planned metropolis that is in harmony with its natural setting. The BCDA, FLI's partner in the development, has completed the construction of the SCTEX-NCC Road and is now completing the Airport-NCC Road that will directly connect the project to the Clark Freeport Zone. New Clark City will be built around four pillars: world center, multi-gen metropolis, eco-efficient capital and strategic base – the cohesive foundation of a globally-competitive city. It will be shaped around the existing terrain, with meandering waterways and a Loop Park to connect its various pedestrian-friendly districts. Green path walks, bike lanes, e-transport systems and other innovative features are expected to set the benchmark for this pioneering development in the Philippines. The development will have 100 hectares of industrial park area, over 100 hectares of mixed-use commercial office, retail and residential developments, all interspersed with over 80 hectares of greens and open spaces. Ready-built-factory(RBF) buildings are already fully leased out and there is ongoing construction of additional RBF buildings for new locators.

Filinvest Mimosa+ Leisure City

As the winning bidder in the privatization of the Mimosa estate in Pampanga, Filinvest is currently developing the 201-hectare property under Filinvest Mimosa, Inc., a new company formed by the consortium of FLI and FDC. FLI will handle the retail, office and residential components through its subsidiary FCMI, while FDC will undertake the hospitality, leisure and gaming segments, through its subsidiary Mimosa Cityscapes, Inc. (MCI). Envisioned to be a top-of-mind, year-round business and leisure destination, the sprawling Filinvest Mimosa+ Leisure City is being transformed into a vibrant and green central township that is home to various industries such as BPO, hospitality, retail, real estate, golf and gaming. Its location in Clark Freeport Zone allows FLI to take advantage of the growing interest of tourists and investors in the progressing Clark City. In addition to the renowned golf course, its components include a lifestyle and retail strip, a pavilion and grounds for events and an office campus called Workplus. This business hub will be composed of eight mid-rise buildings with fiber-optic facilities, podium parking and ground retail area. Also, part of the design is a lovely promenade that will connect all buildings and serve as a place for employees to enjoy the serene outdoor environment of Mimosa. To complement the business and commercial district, the Quest Hotel and Conference Center Clark will be joined by a residential area of mid- to high-rise buildings for investment or end-use and the co-living dormitel component (The Crib). The existing green resort environment will be further enhanced with parks, walking paths and bike trails to encourage wellness through nature and outdoor activities.

Ciudad de Calamba

Ciudad de Calamba is a 350-hectare development located in Calamba, Laguna. This township project is anchored by the Filinvest Technology Park-Calamba which is a PEZA-registered special economic zone. Ciudad de Calamba provides both industrial-size lots and ready-built factories to domestic and foreign enterprises engaged in light to medium non-polluting industries. FLI also donated to the city government of Calamba a parcel of land located within the Ciudad de Calamba, which will be used for a city health center and police station. FLI also intends to develop the Ciudad de Calamba Commercial Center as part of this township project.

Havila

Havila, or formerly, Filinvest East County is a 335-hectare township along the eastern edge of Metro Manila, which traverses the municipalities of Taytay, Antipolo and Angono. It is anchored by two educational institutions: San Beda College – Rizal and the Rosehill School. The master plan for Havila provides for a mix of affordable, middle-income and high-end subdivisions on rolling terrain overlooking Metro Manila at an elevation of 200 meters above sea level.

Timberland Heights

Timberland Heights is a 677-hectare township project anchored by the Timberland Sports and Nature Club. It is located in the municipality of San Mateo, which is just across the Marikina River from Quezon City, and has been designed to provide residents with leisure facilities and resort amenities while being located near malls, hospitals and educational institutions located in Quezon City.

City di Mare

Inspired by the world's best-loved coastal cities, City di Mare, or "City by the Sea", spans across 50.6 hectares at Cebu's South Road Properties.

It is a master-planned development composed of different zones catering to a wide array of lifestyles and activities - Il Corso, the 10.6-hectare waterfront lifestyle strip; the 40-hectare residential clusters; and The Piazza, nestled at the heart of the residential enclaves puts lifestyle essentials such as school, church, shops, and restaurants within the neighborhood. City di Mare is envisioned to be a destination in itself, taking full advantage of the coastal ambience featuring seaside shopping, dining, beach, and water sports and more, right by the water's edge.

The 10.6-hectare retail development known as Il Corso shall have a gross leasable area of approximately 32,000 square meters. City di Mare has four resort-themed residential enclaves inspired by world-class resorts, with each 10-hectare development flaunting a distinct architectural character. With over 65% of the property allocated for wide, open areas and landscaped greens, City di Mare provides the generous amenity of breathing space and a refreshing dose of nature throughout the site. Residences are spread out over the sprawling development, maximizing the abundant sunlight and allowing the invigorating sea air to circulate freely.

In July 2015, FLI, Filinvest REIT Corp. ("FILRT") and Filinvest Alabang, Inc. ("FAI") (collectively referred to as "Filinvest Consortium") won the bidding for a 19.20-hectare lot in Cebu's South Road Properties (SRP). This property is referred to as SRP 2.

Wood Estates

A 94-hectare township located in Trece Martires, Cavite with easy access to schools, shopping centers and transportation hubs.

Iloilo Centrale

Iloilo Centrale is a 11.4-hectare mixed-use development in Leganes, Iloilo City where the highly anticipated Panay-Guimaras bridge will be located. Blending modern urban living with Iloilo's timeless heritage and charm, Iloilo Centrale will be a vibrant community offering residential, commercial, retail, and recreational spaces, as well as a transport hub.

b. Leisure projects

FLI's leisure projects consist of its residential farm estate developments and residential resort development.

1. Residential farm estates

FLI's residential farm estate projects serve as alternative primary homes near Metro Manila to customers, such as retirees and farming enthusiasts. Customers can purchase lots (with a minimum lot size of 750 square meters) on which they are allowed to build a residential unit (using up to 25.0% of the total lot area). The remaining lot area can be used for small-scale farm development, such as fish farming or vegetable farming. Residential farm estates are sold on a lot-only basis, with buyers being responsible for the construction of residential units on their lots. To help attract buyers, FLI personnel are available on site to provide buyers with technical advice on farming as well as to maintain demonstration farms.

At present, FLI has three residential farm estates:

- *Nusa Dua Farm Estate ("Nusa Dua")* located in Cavite province just south of Metro Manila. The amenities at the Nusa Dua development include a two-storey clubhouse and a 370 square meter swimming pool.
- *Mandala Residential Farm Estate ("Mandala")* located in Rizal province as part of the FLI's Timberland Heights township project. It offers hobby farmers generous lot cuts and Asian-inspired homes that complement the mountain lifestyle.
- *Forest Farms Residential Farm Estate ("Forest Farms")* located in Rizal province as part of Company's Havila township project. It is an exclusive mountain retreat and nature park, nestled between the hills of Antipolo and the forested area of Angono.

2. Residential resort development

Kembali Coast on Samal Island, Davao is a beachfront residential resort development. This 50-hectare Asian-Balinese inspired island getaway offers low-density exclusivity and comes with a 1.8 km beach line that offers unobstructed view of the sea.

Laeuna de Taal ("Laeuna") is located in Talisay Batangas with a view of the Taal lake and a lakeside residential community, about a ten-minute drive from the popular tourist destination of Tagaytay. Laeuna is an Asian Tropical-inspired community which offers three (3) residential enclaves (Arista, Bahia and Orilla) with a range of property choices for every family. Located on the waterfront is the Lake Club, a lakeside amenity designed for wellness, recreation and celebration.

c. Medium Rise Buildings

Medium Rise Buildings (MRB) projects are five-storey to ten-storey buildings clustered around a central amenity area. The buildings occupy 30% to 35% of the land area, providing a lot of open spaces. FLI currently has the following MRB projects:

Project Name	Location	Project Name	Location
Metro Manila/ Luzon		Visayas	
Asiana Oasis	Paranaque City	Amalfi Oasis	City di Mare, Cebu
Bali Oasis	Pasig City	Marina Spatial	Dumaguete
Bali Oasis 2	Pasig City	One Oasis Cebu	Mabolo, Cebu City
Capri Oasis	Pasig City	One Spatial Iloilo	Iloilo
Fora	Tagaytay	San Remo Oasis	City di Mare, Cebu
Fortune Hill	San Juan City		
Futura East	Cainta, Rizal	Mindanao	
Maui Oasis	Sta. Mesa, Manila	Centro Spatial	Davao City
One Oasis Ortigas	Pasig City	Eight Spatial	Maa, Davao
One Spatial	Pasig City	One Oasis Cagayan de Oro	Cagayan de Oro
Panglao Oasis	Taguig	One Oasis Davao	Davao City
Sorrento Oasis	Pasig City	Veranda Resort Condos	Davao
The Signature	Balintawak, Quezon City	Maldives Oasis	Davao
Verde Spatial	Quezon City	Futura Vinta	Zamboanga
Alta Spatial	Valenzuela City	Futura Bay	General Santos, South Cotabato
Centro Spatial	Manila		
Belize Oasis	Muntinlupa		
Futura Centro	Sta. Mesa, Manila		
Sydney Oasis	Bacoor, Cavite		
Futura Monte	Naga City		

d. High Rise Buildings

FLI develops HRBs in prime areas. HRBs are at least 18 stories, with various floor plans and designs depending upon the demographics of the target market for each building. FLI's policy is to commence construction of an HRB when at least 50% of the units in the building has been sold. From a development perspective, HRBs generally can be constructed in 2 years once all Government approvals have been obtained.

The Linear

The Linear, a master-planned residential and commercial hub in Makati City. Two-L-shaped towers, each 24-storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals.

Studio City

Studio City is a community composed of five-tower residential condominium complex within the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park.

Since it is located within the Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and

medical institutions. The development consists of 18-storeys per building with commercial units at the ground floor. All residential floors will have 25 studio units per floor.

The Levels

Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with four towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The second tower has just been launched.

Vinia Residences

Vinia is a 25-storey condominium development located along EDSA in Quezon City, right across TriNoma and just steps away from the MRT-North Avenue station. With its coveted location, it offers a world of ease and convenience to yuppies and families looking for quality homes, as well as budding entrepreneurs who want to start a home-based business at the heart of the city.

Studio Zen

Studio Zen is a 21-storey condominium development located along Taft Avenue in Metro Manila. Student-oriented amenities, Zen-inspired features, and functional building facilities makes it an ideal residence for students living independently and a great investment opportunity for entrepreneurs who want to take advantage of the ready rental market in the area.

Studio A

Studio A is a single tower 34-storey hi-rise residential condominium located in Loyola Heights in Quezon City. A community conveniently situated near premier universities, the LRT 2 line and other commercial establishments.

100 West

100 West is a single tower 38-storey high-rise commercial and residential condominium with office spaces located in Gen. Gil Puyat Avenue corner Washington St. in Makati City. 100 West is in the Makati Business District and accessible to both north and south of Metro Manila.

Studio 7

Studio 7 is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Quezon City along EDSA very close to the GMA-Kamuning MRT station. Studio 7 will have studios as well as one-bedroom residential units.

Activa

Activa is a mixed-use development with residential, office, retail and hotel components. It is entrenched in the heart of Quezon City's busiest and liveliest district, Cubao. Situated at the crossroads of two of the metro's most vital thoroughfares. Activa connects to the north and south via EDSA, and to the east and west via Aurora Boulevard. It also has direct access to the MRT and LRT lines, and accessible by various modes of transportation like buses and jeepneys.

Studio N

Studio N is a 25-Storey development and is the latest addition to the studio series portfolio of Filinvest. This is located at the main business hub of Filinvest City. This is currently under construction.

Analysis of FLI's Real Estate Sales

The table below shows a comparative breakdown of FLI's journalized real estate sales by product categories for the years ended December 31, 2025 and 2024 (in Thousands).

Category	Years ended December 31			
	2025		2024	
	Amount	% to total	Amount	% to total
Medium income	P11,345,218	69.7%	P11,336,019	73.6%
Low affordable and affordable	2,763,988	17.0%	1,863,213	12.1%
High-End and Others	1,498,974	9.2%	1,524,605	9.9%
Socialized	665,835	4.1%	668,924	4.4%
Total	P16,274,015	100.0%	P15,392,761	100.0%

Analysis of FLI's Cost of Sales

The table below shows a comparative breakdown of FLI's journalized cost of sales into various categories for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	2025	2024	2023
Land acquisition cost	P1,179,187	P997,010	P1,067,847
Land development and construction cost	6,508,709	6,357,888	7,033,638
Total	P7,687,896	P7,354,898	P8,101,485

Recurring Business Segment

Leasing of properties

FLI's investment properties are mainly categorized as retail and office segments. The Group has also started investments in new leasing formats - dormitels (co-living) and industrial parks.

Commercial Retail Leasing Properties

Festival Mall Alabang

The landmark project, Festival Supermall, carries on its position as the prime destination for recreation and retail in southern Metro Manila. With more 'firsts' on its offerings and a better shopping ambiance, the mall has elevated the retail experience in the south. It is one of the country's largest shopping malls with more than 1,000 shops.

Major improvements have been undertaken and continue to be undertaken for the existing mall and its facilities. New interiors give the mall a refreshed look and modern ambiance, complementing the recently completed 46,000 sq.m. expansion wing. Decathlon, a French sporting goods retailer, opened a 5,000 sq.m. store in the original mall. New lifestyle and food tenants continue to open in the expansion wing.

The introduction of new and unique food establishments has made Festival a gastronomic destination ushering in new traffic and strengthening its appeal to its core target market. The Water Garden, a new distinctly refreshing outdoor amenity and convergence zone in the expansion wing, continues to be favorite among mall patrons. Uniqlo opened its first ever roadside store in the country in Westgate, Festival's affiliated lifestyle development in Filinvest City.

Fora Mall

Conveniently located right by Tagaytay Rotunda is Fora Mall, the first regional mall in the area. This prime retail destination provides about 26,000 sq. m of leasable space amidst nature, open spaces, and a beautifully landscaped amphitheater. It primarily serves the local market and Tagaytay bound tourists. A number of

local and popular food concepts, along with national brands, have opened in the mall. Super Metro, a 24-hour hypermarket, serves as its anchor. Other notable shops include Ace Hardware, Power Mac and OwnDays. The mall also has four (4) digital cinemas which have become the go to place for Tagaytay City and surrounding towns for recreation.

Main Square

With a smaller format of over 18,000 sq. m leasable area, Main Square is the first and only mall along Bacoar Blvd, close to Bacoar City Hall and fronting Princeton Heights. Positioned as the reliable one-stop hub for neighboring gated villages of Bacoar, it provides basic shopping, wellness, service and convenience offerings from partner brands such as Anytime Fitness, Watson's, Ace Hardware and Japan Home. The mall's anchor for this development is Robinsons Supermarket, which has become the most convenient essentials shopping option in the area. The City of Bacoar has also opened its satellite offices in Main Square.

Il Corso

Il Corso is a retail development with an estimated 34,000 sq. m of leasable area in the City di Mare estate development of Filinvest in the South Reclamation Area of Cebu City. Its opened restaurants facing the sea have become destinations in the southern edge of Cebu City. The cinema has also opened. A 10,000 sq.m. portion of the mall is being reconfigured to accommodate Business Process Outsourcing companies.

Marinatown

Marinatown Dumaguete is a mixed-use development with residential, office and retail components located in the Dumaguete Bay.

Mimosa Lifestyle Mall

Located within Clark Mimosa+ Leisure City in Pampanga, this mall is under construction and will include a dining area with tree canopies and retail pavilions this will be F&B focused with outdoor dining areas.

Commercial Office Properties

As of December 31, 2025, the Company owns commercial office spaces for lease to several BPO and other office locators with total gross leasable space of 694,077 sq.m. Primarily, these are located in Northgate Cyberzone in Filinvest City, Alabang, Muntinlupa. Northgate is an 18.4-hectare IT-BPO campus-style hub accredited by the Philippine Economic Zone Authority (PEZA) that enjoys developer incentives. Among the Company's portfolio is the PBCom tower where FLI owns 60.0% through FAC, which owns 50.0% of the 52-storey PBCom Tower in the Makati CBD. PBCom Tower is a Grade A, PEZA-registered, IT/office building located along Ayala Avenue, Makati City with a GLA of 35,148 sq.m.

The Company also owns several completed office developments, in Bay City, Pasay, at EDSA, Mandaluyong near Ortigas MRT station, at Gil Puyat, Makati City, at Clark Mimosa and at Cyberzone Cebu IT Park. A summary of the GLA is set forth below:

Location	Number of Buildings	GLA (sq. m.)
Northgate Cyberzone, Filinvest City	20	366,895
Metro Manila outside of Filinvest City	10	210,396
Outside Metro Manila	10	143,023
Total	40	720,314

Overall occupancy rate of the office developments as of December 31, 2025 is at 60%.

The office buildings of Filinvest are mainly located in business parks or in mixed-used complexes highly accessible to public transport. The Group believes its business park model, wherein the Group builds on areas specifically suited for business and industrial establishments supported, in certain cases, by incentives from the Government, gives it a competitive advantage as business parks are the preferred site of major

BPO tenants. Being in a major business park allow the tenants assurance of expansion options within close proximity thereby giving the Group an advantage over stand-alone developments.

- Northgate Cyberzone, an 18.7-hectare, PEZA-registered IT park located in Filinvest City in Alabang. The office buildings of the Company sit within the ten (10) hectare parcel of land in the Northgate district owned by FLI.
- Mimosa Workplus, an office campus type environment that is comprised of eight (8) buildings set amidst the lush natural environment of the Filinvest Mimosa+ Leisure City.
- Cyberzone Cebu and Filinvest IT Park are two (2) distinct developments on two (2) separate BTO arrangements with the Cebu Province having land area of 1.2 hectares and 2.9 hectares respectively. The said properties are in close proximity to the city center located along Salinas Avenue and Banilad, in Cebu City. Together they comprise seven office towers, a mall and a hotel development. The office and mall portions are pre-certified LEED Gold rating.
- Activa is a 1.37-hectare mixed use development at the corner of EDSA and Aurora Boulevard and lies in close proximity to the Cubao LRT and Cubao MRT Stations. The development will have the following: BPO office tower, a traditional office tower, residential tower, retail mall, and lease accommodation or WFH studios for lease. The designs for the BPO office and mall portions are pre-certified with LEED Gold rating.
- Studio 7 is a two (2)-tower mixed-use complex comprising of residential and office buildings on a retail and parking podium. Located along major thoroughfare EDSA in Quezon City, it is strategically located close to the GMA Kamuning Metro Rail Transit 3 Station and is a pre-certified LEED Silver rating.
- Filinvest Cyberzone Bay City is a four (4)-tower office complex in the bustling section of the Bay Area. The complex is also certified LEED Silver rating.
- Filinvest Buendia, a prime office address at the heart of Makati City, is a 14-storey development that complements the vibrant and fast-paced lifestyle of urbanites by offering state-of-the-art leasable office and retail spaces. As of September 30, 2024, it is fully leased out by the Philippine Department of Trade and Industry (DTI).

Ongoing Construction

- Activa is a 1.37-hectare mixed use development at the corner of EDSA and Aurora Boulevard and lies in close proximity to the Cubao LRT and Cubao MRT Stations. The development will have the following: BPO office tower, a traditional office tower, residential tower, hotel and a retail mall.
- Columna located in Manila City

New Leasing Formats

- Co-living units or Dormitels: The Crib Clark located in the Clark Mimosa Leisure estate serves as temporary living accommodations for employees within the Clark Economic Zone. Four buildings have been completed and fully leased out.
- Industrial Parks: Filinvest Innovation Parks in Filinvest New Clark City and Ciudad de Calamba targets industrial locators who will lease land or ready built factory buildings.

- Co-working spaces: Management of co-working spaces in a joint venture with KMC Community which will be located in Filinvest office buildings. One branch is currently operating and another was launched in 2025.

FLI will continue to carry out an intensive marketing campaign so to maintain high occupancy rates in its investment properties to maximize leasing revenues.

The table below shows a breakdown of FLI's recorded gross leasing related revenues for the years ended December 31, 2025 and 2024 (amounts in Thousands of Pesos, except percentages).

	Years ended December 31			
	2025		2024	
	Amount	% to total	Amount	% to total
Office	₱4,844,616	58.7%	₱4,809,721	61.3%
Retail/ Commercial	3,402,404	41.3%	3,038,372	38.7%
Total	₱8,247,020	100.0%	₱7,848,093	100.0%

Marketing and Sales

Real Estate Segment

FLI develops customer awareness through marketing and promotion efforts and referrals from satisfied customers. FLI has a real estate marketing team, a network of sales offices located in the Philippines and tie-ups with independent brokers/marketing partners in other countries such as Europe, Hongkong, the Middle East, Japan, and Singapore. FLI's marketing personnel, together with in-house sales agents and accredited agents, gather demographic and market information to help assess the feasibility of new developments and to assist in future marketing efforts for such developments.

FLI conducts advertising and promotional campaigns principally through print and broadcast media, including billboards, fliers, and brochures designed specifically for the target market. Advertising and promotional campaigns are conceptualized and conducted by FLI's marketing personnel and by third-party advertising companies. These campaigns are complemented with additional advertising efforts, including booths at shopping centers, such as Festival Supermall, and other high traffic areas, to promote open houses and other events.

FLI also believes that the OFW population, as well as expatriate Filipinos, constitute a significant portion of the demand for affordable and middle-income housing either directly or indirectly by remitting funds to family members in the Philippines to purchase property. To this end, FLI has appointed and accredited independent brokers in countries and regions with large concentrations of OFWs and expatriate Filipinos, such as Italy, Japan, Singapore, Hongkong, the United Kingdom and the Middle East. These brokers act as FLI's marketing and promotion agents in these territories to FLI and its products. FLI also sponsors road shows in countries to promote its projects, targeting potential buyers, especially the OFW and Filipino expatriate markets. FLI also markets its properties using the Internet or via Digital marketing platforms.

Sales for FLI's housing and land development projects are made through both in-house sales agents and independent brokers. Both FLI's in-house sales agents and independent brokers are compensated through commissions on sales. In-house sales agents also receive a monthly allowance and are provided administrative support by FLI, including office space and expense allowances.

In addition to in-house sales agents and independent brokers, FLI also employs representatives who staff its sales offices and provide customers with information about FLI's products, including financing and technical development characteristics. FLI also assigns each project a sales and operations coordinator who will provide customers with assistance from the moment they make their sales reservation, during the process of obtaining financing, and through the steps of establishing title on their new home. FLI also has personnel who can advise customers on financing options, collecting necessary documentation and

applying for a loan. FLI also helps design down payment plans for its low-cost housing customers that are tailored to each customer's economic situation. Further, once a house is sold and delivered, FLI has customer service personnel who are available to respond to technical questions or problems that may occur after delivery of the property.

Leasing Segment

Various professional, multinational commercial real estate leasing agents (including, but not limited to Jones Lang LaSalle, Santos Knight Frank, Colliers, CB Richard Ellis and Leechiu Property Consultants) are accredited to find tenants for its office space. These brokers work on a non-exclusive basis and earn commissions based on the term of the lease except for the Filinvest Cebu Cyberzone buildings located in IT Park Metro Cebu City wherein Santos Knight Frank is the exclusive leasing agent but also earns commission base on the term of the lease.

FLI also maintains, through its subsidiaries, an in-house leasing team to do marketing and administration of its office & commercial spaces.

Customer Financing for Real Estate Projects

The ability of customers to obtain financing for purchases of subdivision lots or housing units is a critical element in the success of FLI's housing and land development business. Customer financing is particularly important in relation to sales of FLI's socialized housing projects, where most prospective buyers require financing for up to 100% of the purchase price. FLI therefore assists qualified homebuyers in obtaining mortgage financing from government-sponsored mortgage lenders, particularly for its socialized housing projects, and from commercial banks. FLI also provides a significant amount of in-house financing to qualified buyers.

In-house financing

FLI offers in-house financing to buyers who choose not to avail of Government or bank financing. FLI typically finances 80% of the total purchase price, which is secured primarily by a first mortgage over the property sold. The loans are then repaid through equal monthly installments over periods mostly from 5 to 10 years. The interest rates charged by FLI for in-house financing typically range from 11.5% per annum to 19.0% per annum, depending on the term of the loan.

Pag-IBIG Fund

A substantial number of buyers of FLI's socialized housing units finance their purchases through the Home Development Mutual Fund, or PAGIBIG Fund. To provide a liquidity mechanism to private developers, the PAGIBIG Fund has instituted a take-out mechanism for conditional sales, installment contract receivables and mortgages and repurchases of receivables from housing loans of its members.

Mortgage Loans

Mortgage loans from commercial banks are usually available to individuals who meet the credit risk criteria set by each bank and who are able to comply with each bank's documentary requirements. In addition to taking security over the property, a bank may also seek repayment guarantees from the Philippine Guarantee Corporation (PhilGuarantee). To assist prospective buyers, obtain mortgage financing from commercial banks, FLI also has arrangements with several banks to assist qualified customers to obtain financing for housing unit purchases.

Deferred Cash Purchases

In addition to the aforementioned financing arrangements, FLI has offered so-called "deferred cash" purchases, particularly for its high-end and leisure developments. Under this arrangement, the entire purchase price is amortized in equal installments over a fixed period, which is typically 24 months. Title to the property passes to the buyer only when the contract price is paid in full or when the buyer executes a real estate mortgage in favor of FLI which can be annotated on the title to the property.

Real Estate Development

FLI's real estate development activities principally include the purchase of undeveloped land or entering into joint venture agreements covering undeveloped land, the development of such land into residential subdivisions or other types of development projects, the sale of lots, the construction and sale of housing units and the provision of financing for some sales. Some projects are also developed through long-term land leases.

FLI plans to continue initiatives to further integrate its operations. The Group has established in 2017 a separate construction company (Dreambuilders Pro, Inc.) to undertake construction of specific projects and products, such as MRBs, to improve its cost competitiveness. Moreover, FLI has embarked on targeted digitalization processes, such as the use of building information modeling for design, as well as the acquisition and implementation of other software for bidding and project management, all in an effort to improve both cost and process efficiencies. Online platforms are continuously being developed and enhanced to ensure efficient touchpoints to its business partners such as customers, contractors, sellers and brokers. FLI also has separate property management teams with digital customer service applications to focus on monitoring and delivering the services to its clients.

Some development and construction work are contracted out to a number of qualified independent contractors on the basis of either competitive bidding or the experience FLI had with a contractor on prior project. FLI weighs each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments.

FLI maintains relationships with over 100 independent contractors and deals with them on an arm's length basis.

FLI does not enter into long-term arrangements with contractors. Construction contracts typically cover the provision of contractor's services in relation to a particular project or phase of a project. Progress payments are made to contractors during the course of a project development upon the accomplishment of pre-determined project performance milestones. Generally, FLI retains 10% of each progress payment in the form of a guarantee bond or cash retention for up to one year from the date the contracted work is completed and accepted by FLI to meet contingency costs.

FLI is not and does not expect to be dependent upon one or a limited number of suppliers or contractors. Its agreements with its contractors are in the nature of supply of labor and materials for the development and/or construction of its various real estate projects.

B. Filinvest Alabang, Inc. (FAI)

Overview

FAI is the conglomerate's real estate arm that oversees townships and luxury residential developments. FAI's flagship project is the master-planned development of Filinvest City, a 244-hectare premier satellite city located in Alabang, Muntinlupa City in the southern part of Metro Manila approximately 16 km south of Makati, the central business district in Manila and 10 km from the Ninoy Aquino International Airport. Filinvest City is a fully integrated, self-contained satellite city which serves as a viable urban residential and business alternative to Makati for the southern Metro Manila area and a business centre for the southern Tagalog provinces. The mixed-use development concept incorporates commercial and residential properties in a complementary manner and provides for a balance of recurring rental income from office and retail space as well as trading income from sale of lots and condominium units. Filinvest City is a joint venture development with Government entities, namely the Department of Environment and Natural Resources (DENR) and the Philippine Reclamation Authority (now with Land Management Bureau), in which FAI has a 74.0% interest. Over the past few years, land sale prices in Filinvest City have risen, driven by improved accessibility and economic growth. In particular, the completion of the Skyway extension from Sucat to Alabang in April 2011 has caused land prices in the surrounding area to increase.

The development obligations of FAI in Filinvest City have been substantially completed. Construction of the entry/exit of the Skyway into Filinvest City was completed and opened to the public in May 2011.

Land Use

The following table shows the estimated mix of office, retail, residential, institutional and leisure properties that Filinvest City is expected to have when the project is fully completed, as well as certain details relating to developments at Filinvest City as of December 31, 2025. The land use and gross floor area estimates below may be adjusted as market trends develop and may not necessarily represent the eventual state of the actual property development.

Land Use	Lot area allocated (sqm)	Expected gross floor area (sqm)
High-rise office and condominium	711,095	5,636,136
Commercial and mixed-use	518,794	1,499,620
Residential subdivision	49,182	49,182
Leisure/hospitality	91,475	278,140
Institutional/government	241,458	325,012
Roads and open space	835,539	—
Total	2,447,543	7,788,090

As of December 31, 2025, FAI beneficially owns 71.9 hectares of unsold lots in Filinvest City comprising 25.8 hectares held through joint ventures (in which FAI beneficially owns 19.1 hectares) and 52.9 hectares owned directly by FAI. Of the 52.9 hectares, 18.5 hectares remain unused. 34.4 hectares are leased out or being used for recurring business.

Business Groups and Product Categories

Office and Condominium Zone

The office zone is currently concentrated in two districts of Filinvest City, the Spectrum and Northgate districts. A variety of office centres are owned and operated, or under development, by third parties in these districts. FAI's Northgate Cyberzone, is located at Northgate District. FAI also develops its own buildings in the office zone through office condominiums for sale, and also under the concept of small office-home office (SOHO). SOHO buildings are compact units designed to provide a flexible, efficient workplace and living space. The SOHO units are developed for sale rather than for lease.

Commercial and Mixed-Use Zone

A variety of major retail establishments at Filinvest City are owned and operated by third parties. In addition, FLI owns Festival Mall, which is located at Filinvest City. FAI also develops its own retail leasing projects.

Marketing and Management

The day-to-day operations in the retail zone, including leasing and general mall management, is managed by FSI pursuant to various management contracts entered by FSI with the owners and developers of various retail projects. The contracts are on a continuing basis until terminated with 90-day advance notice by any of the parties.

Residential Zone

Filinvest City provides an urban residential alternative to the surrounding residential subdivisions. FAI is engaged in the development of a number of high-rise residential condominiums within Filinvest City. Each condominium's design varies according to its target market and income segment.

Leisure and Hospitality Zone

Filinvest City includes several hotels and condotels owned and managed by third parties, in addition to CFCM, a hotel that FAI launched in December 2012 within its mixed-use Entrata complex. CFCM has 345 rooms on 27 storeys and is managed by Chroma under the Crimson brand. The hotel had its grand opening in March 2013.

In addition to hotels and condotels, Filinvest City is also the site of leisure projects, including the Palms Country Club. To enhance the value of its high-end residential projects in Filinvest City and to attract buyers to these projects, FAI established its own exclusive sports and leisure club, a 30,000-sq.m. private membership club that hosts banquets, corporate functions, and other events for its members. FAI sells individual and corporate club shares.

Institutional and Government Zone

Filinvest City has institutional establishments, including both the private sector and Government entities. Filinvest City has become a hub for health and medical care and home to Asian Hospital, Ospital ng Muntinlupa, Food and Drug Administration and other Government-run medical facilities.

The table below shows a breakdown of Group's recorded gross leasing revenues for the years ended December 31, 2025 and 2024 (amounts in ₱ millions):

	Years ended December 31			
	2025		2024	
	Amount	% to total	Amount	% to total
Mall and retail	₱593.4	52.3%	₱518.8	50.2%
Land lease	542.1	47.7%	515.4	49.8%
Total	₱1,135.5	100.0%	₱1,034.2	100.0%

The following table shows the historical GLA of the Group's commercial properties as of December 31, 2025 and 2024.

	2025	2024
	(sq.m.)	
Mall and retail	80,457	80,457
Land lease	287,798	287,798
Total	368,255	368,255

C. Competition

Real estate development and selling are very competitive. FLI and FAI, the Group's real estate companies, believe it is strongly positioned in the affordable to middle-income residential market segments. Success in these market segments depends on acquiring well-located land at attractive prices often in anticipation of the direction of urban growth.

The real estate companies believe that the name and reputation it has built in the Philippine property market contributes to its competitive edge over the other market players. On the basis of publicly available information and its own market knowledge, the management believes that it is among the leading housing and land / project developers in the Philippines. the management also believes that the FLI and FAI are able to offer competitive commissions and incentives for brokers, and that they are able to compete on the basis of the pricing of its products, offering a wider range of product types for different market sectors. Its brand name and its track record of successfully completing quality projects also give credibility to our products.

The real estate companies directly compete with other major real estate companies positioned either as a full range developer or with subsidiary companies focused on a specific market segment and geographic coverage. FLI's direct competitors include Ayala Land Inc., Vista Land, Robinsons Land, SMPHI and DMCI Homes. FAI's direct competitors include Ayala Land, Rockwell Land, Federal Land, Shang Properties, and Robinsons Land.

The real estate companies face significant competition in the Philippine property development market including land acquisition. This is particularly true for land located in Metro Manila and its surrounding areas, as well as in urbanized areas throughout the Philippines.

FLI and FAI's continued growth also depend in large part on its ability either to acquire quality land at attractive prices or to enter into joint venture agreements with land-owning partners under terms that can yield reasonable returns. Based on FLI's current development plans, FLI believes that it has sufficient land reserves for property developments for the next several years. If the Philippine economy continues to grow and if demand for residential properties remains relatively strong, the real estate companies expect that competition among developers for land reserves that are suitable for property development (whether through acquisitions or joint venture agreements) will intensify and that land acquisition costs, and its cost of sales, will increase as a result.

Leasing Segment

With regards to the Group's assets dedicated to office space leasing and shopping mall operations, the Group competes with property companies such as Ayala Land Inc., Robinsons Land Corp. and SM Prime Holdings in retail space leasing. In office space leasing, particularly to call centers and other BPO operators, the Group competes with companies such as Robinsons Land, Inc., Ayala Land, Inc., Eton Corporation, SM Prime, and Megaworld Corporation.

D. Intellectual Properties

The "Filinvest" trademarks, first of which was registered with the IPO on September 15, 2011, is the brand FLI uses for the names of certain real estate products and for trademarks relating to the "FLI" brand. Below are service marks owned by FLI and registered with the IPO:

TRADEMARK	DATE OF REGISTRATION	TRADEMARK	DATE OF REGISTRATION
One Oasis	10 Dec 2009	The Enclave at Filinvest Heights	27 Apr 2017
One Oasis Ortigas	10 Dec 2009	Filinvest International	04 May 2017
We Build the Filipino Dream (Slogan)	10 Dec 2009	The Filinvest IT Zone	11 May 2017
The Linear Makati & Design	12 Aug 2010	8 Spatial	22 June 2017
Filinvest (New Logo)	15 Sept 2011	Ciudad de Calamba	06 July 2017

TRADEMARK	DATE OF REGISTRATION	TRADEMARK	DATE OF REGISTRATION
Studio A	20 Dec 2012	Verde Spatial	06 July 2017
The Signature	17 Apr 2014	One Filinvest	14 July 2017
Fortune Hill	22 May 2014	Marina Town	30 July 2017
Fora Rotunda Tagaytay	14 Aug 2014	The Levels	30 July 2017
The Leaf	20 Nov 2014	Studio City	29 Dec 2019
Vinia	20 Nov 2014	Marina Spatial	10 Aug 2017
Citi di Mare	25 Dec 2014	Grand Cenia Residences	17 Aug 2017
One Binondo	12 Feb 2015	Sanremo Oasis	17 Aug 2017
I-Go	20 Feb 2015	East Spatial	24 Aug 2017
Bali Oasis	26 Feb 2015	Phuket Oasis	24 Aug 2017
Bali Oasis 2	26 Feb 2015	Sorrento Oasis	24 Aug 2017
Citi di Mare (Logo and Tagline)	26 Feb 2015	Studio Zen	24 Aug 2017
Kembali	26 Feb 2015	Austine Homes	14 Sept 2017
One Spatial	26 Feb 2015	Eastbay Palawan	07 Mar 2020
Serulyan Mactan	26 Feb 2015	Palm Estates	14 Sept 2017
Capri Oasis	05 Mar 2015	Filinvest Futura	07 Dec 2017
Timberland Heights (Horizontal Orientation)	14 May 2015	Filinvest Prestige	07 Dec 2017
Timberland Heights (Stacked Orientation)	14 May 2015	Futura by Filinvest	07 Dec 2017
Kembali (Reversed Logo)	25 June 2015	Prestige by Filinvest	07 Dec 2017
The Glades	09 July 2015	Brentville International Community	17 Dec 2017
100 West	23 July 2015	New Leaf	04 Jan 2018
Activa	13 Aug 2015	The Wood Estates	18 Jan 2018
The Veranda	27 Aug 2015	Asiana Oasis	15 Feb 2018
Studio 7	12 Nov 2015	Ventura Real	29 Mar 2018
Umi Garden Suites	11 Feb 2016	Nature Grove	19 Apr 2018
The Enclave Alabang	11 Feb 2016	Belize Aspire	19 Apr 2018
Filinvest (Reversed Logo)	24 Mar 2016	Southwind	12 July 2018
Filinvest Premiere	24 Mar 2016	Centro Spatial	02 Sept 2018
Futura	24 Mar 2016	Laeuna de Taal	14 Feb 2019
The Ranch	12 May 2016	Amalfi	14 Feb 2019
The Prominence	26 May 2016	Futura East	02 Sept 2018
Aldea Real	07 July 2016	Futura Tierra	02 Sept 2018
Filinvest Technology Park	07 July 2016	Manna East by Filinvest	04 Oct 2018
La Brisa Townhomes	07 July 2016	Futura Vinta	02 June 2019
Montebello	07 July 2016	Belize Oasis	02 June 2019
Punta Altezza	07 July 2016	Futura Centro	16 May 2019
Springfield View	07 July 2016	venti-lite	08 Feb 2020
The Glens	07 July 2016	Filinvest Gaia New Clark City	13 Oct 2020
Vista Hills	07 July 2016	Columna	20 Nov 2020
Woodville	07 July 2016	Studio N	11 Sept 2020
Panglao Oasis	14 July 2016	Studio N (Tradenname)	11 Sept 2020
Amare Homes	04 Aug 2016	Futura One Fora Dagupan	10 Jan 2021
Nusa Dua	04 Aug 2016	Brentville International Community	28 May 2021
Pine View	04 Aug 2016	Perth Oasis City Di Mare	10 Jan 2021
Santoso Villas	04 Aug 2016	Sunrise Place	27 Aug 2021

TRADEMARK	DATE OF REGISTRATION	TRADEMARK	DATE OF REGISTRATION
Blue Palm Estate	11 Aug 2016	Futura Mira	18 Nov 2021
Bluegrass County	11 Aug 2016	Futura Primo	07 Mar 2022
Pueblo Solana	11 Aug 2016	Timberland Heights	26 May 2022
Summerbreeze	11 Aug 2016	Filinvest Innovation Park	10 Feb 2022
Savannah Fields	01 Sept 2016	Futura Monte Naga	01 Sept 2022
Park Spring	02 Nov 2017	Futura Bay General Santos	17 Oct 2022
Aspire by Filinvest	07 Dec 2017	Sydney Oasis	06 May 2023
Filinvest Aspire	07 Dec 2017	Stello Centrale	30 Sept 2023
Meridian Place	08 Sept 2016	Futura Shores Dumaguete	25 Mar 2024
Alta Spatial	30 Sept 2016	Strides	15 Feb 2024
Kembali Coast	30 Sept 2016	Filinvest Land, Inc.	15 June 2024
The Tropics	30 Sept 2016	Filinvest Instahomes	19 Aug 2024
Maui Oasis	20 Oct 2016	Iloilo Centrale	05 October 2024
Ashton Fields	03 Nov 2016	Sydney Oasis Bacoor	28 Nov 2024
Sandia Homes	24 Nov 2016	New Leaf 2	09 Dec 2024
Valle Alegre	24 Nov 2016	Futura Rise	28 Nov 2024
Valle Dulce	24 Nov 2016	Celestia by Timberlad Heights	10 Mar 2025
Havila	08 Dec 2016	CDM City Di Mare	26 April 2025
Princeton Heights	08 Dec 2016	Sandia Homes	08 May 2025
Asenso Village	29 Dec 2016	The Glens at Parkspring	07 June 2025
Hampton Orchards	29 Dec 2016	Palms Estates by Filinvest Land	14 June 2025
Tierra Vista	29 Dec 2016	Studio City Filinvest City, Alabang	12 July 2025
Blue Isle	19 Jan 2017	Futura Rise Mactan	11 Sept 2025
Palmridge	19 Jan 2017	Fortune Hill	13 Dec 2025
Cyberzone Properties, Inc.	16 Feb 2017	Fora Dagupan by Filinvest	26 Dec 2025
Spring Heights	27 Apr 2017		

FLI has pending applications with the IPO for the following trademarks:

100 West Makati
 The Signature Residences
 Rent It Own It! easy
 The Levels
 The Levels Catalina
 Brentville International
 Community(word mark)
 Terrace Homes at Prominence II

FLI has likewise filed an application with the World Intellectual Property Office (WIPO) for the international registration of the “Filinvest” trademark under the Madrid Protocol. Accordingly, “Filinvest” is now registered in the following countries:

COUNTRY	DATE REGISTERED
Malaysia	04 Mar 2015
United States of America	08 Mar 2016
Qatar	15 May 2016
Kuwait	04 Sept 2016
United Arab Emirates	22 Mar 2017
Thailand	22 May 2017
Singapore	24 Aug 2017
Japan	22 June 2018
Taiwan	01 July 2018
Cambodia	19 July 2018
Hong Kong	24 Aug 2018
China	21 Sept 2018 (Class 37); 14 October 2018 (Class 42); 28 October 2018 (Class 42);
Korea	19 Nov 2018

Statements of Certificate of Protection of the “Filinvest” trademark have also been issued by the following countries:

COUNTRY	DATE
United Kingdom	14 Apr 2015
Australia	01 July 2015
Denmark	14 Sept 2015
Norway	16 Sept 2015
Switzerland	11 Dec 2015
Austria	16 Aug 2018
Benelux	20 Aug 2018
Sweden	14 Nov 2018

Filinvest Alabang, Inc.

Project	Owner / Filer	Registration Date
Filinvest City	FDC	07/23/2015
Filigree	FAI	06/22/2017
Botanika Nature Residences	FAI	10/23/2014
Two Botanika Nature Residences	FAI	04/26/2025
1001 Parkway Residences	FAI	11/18/2021
The Bristol Parkway Place	FAI	10/11/2025
The Crib	FAI	06/28/2020

Filinvest Mimosa, Inc.

Mark	Application No. / Registration No.	Date Registered
1. FILINVEST MIMOSA+ LEISURE CITY (word mark)	04-2017-00007244	10-Oct-19
2. MIMOSA+	04-2017-00007243	14-Sep-17
3. FILINVEST MIMOSA+ LEISURE CITY (trademark)	04-2019-00014901	29-Dec-19

Filinvest Clark Mimosa, Inc. (formerly, “Filinvest Cyberzone Mimosa, Inc.”)

Mark	Application No. / Registration No.	Date Registered
1. GOLF RIDGE (tradenname)	04-2019-017968	05-Mar-20
2. GOLF RIDGE PRIVATE ESTATE	04-2019-020214	11-Apr-20

Filinvest REIT Corp.

Mark	Application No. / Registration No.	Date Registered
FILREIT	04-2021-512915	01-Aug-21
FILRT	04-2021-512917	01-Aug-21
FILINVEST REIT CORP.	04-2021-512912	08-Oct-21
FILINVEST REIT CORPORATION	04-2021-512913	08-Oct-21
FILINVEST REIT	04-2021-512916	12-Nov-21

E. Government and Environmental Regulations

The real estate business in the Philippines is subject to significant Government regulations over, among other things, land acquisition, development planning and design, construction and mortgage financing and refinancing.

After the project plan for subdivision is prepared, FLI and FAI apply for a development permit with the local government. If the land is designated agricultural land, they apply with the Department of Agrarian Reform (DAR) for a Certificate of Conversion or Exemption, as may be proper. A substantial majority of FLI’s existing landbank is subject to the DAR conversion process.

Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer’s financial, technical and administrative capabilities. Approvals must be obtained at both the national and local levels. Evidently, FLI’s results of operations are expected to continue to be affected by the nature and extent of the regulation of its business, including the relative time and cost involved in procuring approvals for each new project, which can vary for each project.

Both FLI and FAI are also subject to the application of the Maceda Law, which gives purchasers of real property on an installment basis certain right regarding cancellations of sales and obtaining refunds from developers.

The real estate companies believe that it has complied with all applicable Philippine environmental laws and regulations. Compliance with such laws is not expected to have a material effect on their capital expenditures, earning or competitive position.

PEZA Regulations

Republic Act No. 7916 (“R.A. 7916”) provided for the creation and management of Special Economic Zones, which are selected areas with highly developed or which have the potential to be developed into agro-industrial, industrial tourist/recreational, commercial, banking, investment, and financial centers.

PEZA is the government agency that is mandated to operate, administer, and manage these designated Ecozones. These Ecozones are generally established by a proclamation issued by the President of the Philippines, upon the recommendation of the PEZA. Enterprises offering IT services (such as call centers, and BPO using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area capable

of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers employed in these enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities, and amenities. PEZA requirements for the registration of an IT Park or IT Building may differ depending on location. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board (“NWRB”), and the DENR.

Prior to becoming a REIT, the Company enjoys a preferential tax rate of 5% on gross income from 16 of its buildings in Northgate Cyberzone, from tenants that are also PEZA registered. Likewise, the BPO/IT companies who lease office space in Northgate or Cebu Cyberzone, which are PEZA-registered enjoy certain tax incentives as follows:

- Exemption from the payment of all national and local taxes, such as gross receipts tax, value-added tax, ad valorem tax, excise tax, income tax, documentary stamp tax, percentage taxes, and all other taxes found in the National Internal Revenue Code.
- Exemption from the payment of all local government impost, fees, licenses, or taxes including local business tax, transfer tax on the sale of real property, real estate taxes (except real estate tax on the land), community tax, mayor's permit fee, sanitary fee, other regulatory fees and other taxes and fees found in the Local Government Code and particularly in the Tax Ordinance of the local government unit where the economic zone is located.
- In lieu of the exemption from national and local taxes, the ECOZONE enterprise shall pay a 5% preferential tax on gross income, which is split between the City Treasurer of Muntinlupa (2/5) and BIR (3/5). For an ECOZONE export enterprise, the following are allowable deductions from net sales/revenues:
 - Direct salaries, wages, or labor expenses
 - Service or production supervision salaries
 - Raw materials
 - Goods in process
 - Finished goods
 - Supplies and fuel used in production
 - Depreciation of machinery, equipment and buildings owned and/or constructed
 - Financing charges associated with fixed assets
 - Rent and utility charges for buildings, equipment, and warehouses, or handling goods
 - Exemption from duties and taxes on imported capital equipment, spare parts, raw materials, and supplies.
 - Exemption from wharfage dues, export tax, import, or fee
 - For the first five years of operation, an additional deduction equivalent to one-half of the wages paid corresponding to the increment in the number of direct labors for skilled and unskilled workers

Effective August 12, 2021, as a REIT entity, the Company is entitled to the following: (a) not subject to 2% minimum corporate income tax (MCIT), (b) exemption from value-added tax (VAT) and documentary stamp tax (DST) on the transfer of property in exchange of its shares, (c) deductibility of dividend distribution from its taxable income, and (d) fifty percent (50%) of the standard DST rate of the transfer of real property into the Company, including the sale or transfer of any and all security interest there to, provided they have complied with the requirements under RA No. 9856 and Implementing Rules and Regulations (IRR) of RA No. 9856.

REIT Law

The REIT Act of 2009 and its IRR (Republic Act No. 9856 or the REIT Law) aims to promote the development of the capital market, democratize wealth by broadening the participation of Filipinos in the ownership of real estate in the Philippines, use the capital market as an instrument to help finance and develop infrastructure projects, and protect the investing public by providing an enabling regulatory framework and environment under which real estate investment trusts, through certain incentives granted.

Investment in the REIT shall be by way of subscription to or purchase of shares of stock of the REIT. A REIT must distribute annually at least ninety percent (90%) of its distributable income as dividends to its shareholders. The dividends shall be payable only from out of the unrestricted retained earnings of the REIT. Distributable income excludes proceeds from the sale of the REIT's assets that are re-invested by the REIT within one (1) year from the date of the sale.

As to taxes, a REIT shall be subject to income tax on its taxable net income. Income payments to a REIT shall be subject to a lower creditable withholding tax of one percent (1%). The sale or transfer of real property to REITs, which includes the sale or transfer of any and all security interest thereto, shall be subject to fifty percent (50%) of the applicable Documentary Stamp Tax (DST) imposed under the tax code. The incentives granted under the law can be availed of by an unlisted REIT, provided it is listed with an Exchange not later than two (2) years from the date of the initial availment of the incentives.

Cash or property dividends paid by a REIT shall be subject to a final tax of ten percent (10%), unless: (a) the dividends are received by a nonresident alien individual or a nonresident foreign corporation entitled to claim a preferential withholding tax rate of less than ten percent (10%) pursuant to an applicable tax treaty; or (b) the dividends are received by a domestic corporation or resident foreign corporation, or an overseas Filipino investor in which case, they are exempt from income tax or any withholding tax: *Provided*, That in the case of overseas Filipino investors, they are exempt from the dividends tax for seven (7) years from the effectivity of the tax regulations implementing the Act.

The Group believes that the real estate business has complied with all applicable Philippine environmental laws and regulations. Compliance with such laws is not expected to have a material effect on FLI's capital expenditures, earning or competitive position.

1.4.2 Hospitality

A. Overview

The Group is involved in the development, operation and management of hotels and resorts that cater to various market segments through two entities: FHC, which is a hotel asset owner and developer, and Chroma Hospitality, Inc. (CHI), a hotel management company and operator.

B. Existing and Operational Properties

The Group operates seven hotels with a total of 1,751 keys as of December 31, 2025. The table below shows the Group's hotels and corresponding number of keys:

PROPERTY	YEAR OPENED	KEYS
Crimson Mactan*	2010	205
Quest Hotel Cebu (including 43 service apartment units)	2012	470
Crimson Filinvest City	2013	345
Quest Plus Clark	2016	304
Crimson Boracay	2018	192
Quest Hotel Tagaytay	2019	164
Timberland	2021	71
Total		1,751

**Reduced from 282 due to ongoing room renovations until 2028*

The Group's first operating property is the 5-star Crimson Resort & Spa Mactan (CRSM), owned directly by FDC through Mactan Seascapes Services, Inc. (MSSI), which was incorporated on July 17, 2009. Located on the island of Mactan, Cebu, Philippines, CRSM is an award-winning beach resort covering a sprawling 6-hectare property. The resort features 283 guest rooms including 33 villas with private plunge pools, 4 food and beverage outlets, a gym, a children's play area and 2 ballrooms. CRSM officially opened on October 8, 2010. Its flagship Azure Beach Club was launched on October 24, 2014. In 2017, the resort

renovated its infinity pool and opened the Spanish-themed Enye restaurant. Additionally, the property introduced the 3,700-sq.m. *Crimzone*, which features family-oriented facilities, children's play area, dedicated pool, and snack bar. CRSM is currently operating 205 available rooms with ongoing rooms renovation as part of its facilities upgrade.

In September 2012, the Group opened its second property under the Quest Brand. Quest Hotel and Conference Center, Cebu (QHCC) is a 427-key Condotel in FLI's Grand Cenia Development in Cebu City. The hotel is located in the Cebu Business Park and includes 10 meeting rooms, a 300-seat capacity all-day dining restaurant and a swimming pool. The condotel units are owned by third parties and are locked in a 25-year rental pool agreement.

In March 2013, the Group opened its third property, Quest Plus Conference Center Manila (QPCM) in Alabang, under Entrata Hotel Services, Inc. (EHSI), which was incorporated on November 28, 2012. The property was rebranded in August 2025 from Crimson Hotel Filinvest City, Manila (CFCM). The hotel is part of the Entrata Urban Complex which features 345 keys, extensive meeting facilities, 7 F&B outlets, a gym, a spa and a swimming pool, with plans to enhance rooms, amenity areas, and food outlets.

On January 27, 2016, the Group was given a Notice of Award by the CDC for the lease, development, operation, and management of the former Mimosa Leisure Estate covering 201.6 hectares through a 50-year lease agreement, renewable for another 25 years. The lease agreement between CDC and Filinvest Mimosa, Inc. (an entity owned by FDC (47.5%), FLI (47.5%) and CDC (5%)) was signed on April 22, 2016. The lease agreement requires FMI to invest at least ₱5 billion over a period of 5 years.

The property is located in the Clark Freeport Zone, about 100 km north of Metro Manila. It includes a 303-room hotel and a 36-hole golf course, now operating as Quest Plus Hotel and Conference Center, Clark (QPHC) and Mimosa Golf, Clark. These are managed by MCI, a wholly owned subsidiary of FHC, incorporated on May 13, 2016.

In June 2016, MCI signed a sublease agreement with FMI following the terms of lease of FMI with CDC. Over the lease period, MCI will operate the existing hotel and golf courses of the estate and have the right to develop the leased portion of the estate. During the ASEAN Summit in November 2017, its property QPHC Clark showcased the opening of the Grand Villas, newly refurbished hotel rooms and event facilities.

In November 2018, FHC through its wholly owned subsidiary, Boracay Seascapes, Inc. ("BSI"), commenced soft operations for Crimson Resort and Spa, Boracay (CRSB). The resort is designed by leading resort designers and is located in a secluded cove in Barangay Yapak, on Boracay Island in the Philippines. CRSB features 192 keys, including 23 pool villas, a grand ballroom, four food and beverage outlets, a gym, a spa and a swimming pool. BSI was incorporated on December 28, 2012.

In April 2019, the Group opened Quest Hotel Tagaytay located along General Emilio Aguinaldo Highway, Tagaytay City, which was incorporated on August 24, 2018. The hotel is a 10-storey 164-room hotel of which is strategically located across Fora Mall and is within easy access to all the major Tagaytay attractions.

On December 9, 2020, FHC and BMI signed a contract lease for 25 years with BCDA and John Hay Management Corporation covering a total area of 5,700 sq.m. The agreement was assigned to BMI, effective January 7, 2022. The 256-key world class hotel will be the first property brand under the Grafik Pine House Baguio slated for completion in the 4th quarter of 2026.

On February 28, 2021, the Group opened Timberland Highlands Resort, an existing property owned by FLI. Situated in Timberland Heights, Barangay Guinang Bayan II, San Mateo, Rizal, this hotel features 71 rooms catering to both leisure and corporate clients. Emphasizing relaxation and sports amenities, the resort is perfect for accommodating various events. The resort is being operated by CHI through Nature Specialists, Inc.

On September 30, 2025, the respective BOD and Stockholders of FHC, BSI., Dauin Seascapes, Inc., Duawon Seascapes Resort, Inc., Dumaguete Cityscapes, Inc., Gensan Cityscapes, Inc., MSSl, Princessa Seascapes, Inc. and Zamboanga Cityscapes, Inc. approved the merger, with FHC as the surviving entity. On October 23, 2025, FHC has filed the Articles of Merger and Plan of Merger, including the application for the necessary increase in authorized capital stock with the SEC. On March 13, 2026, SEC approved the application of the merger and the increase in authorized capital stock, and has issued the Certificate of Filing of the Articles and Plan of Merger effective January 1, 2026.

C. Pipeline Projects

The Group is targeting to grow its hotel portfolio by approximately 2,100 keys from 1,800+ as of December 31, 2025, to an estimated total of 3,900+ keys. These projects will be located within Luzon, Visayas and Mindanao. The strategic emphasis remains on expanding and strengthening presence in key Philippine tourism destinations such as Cebu, Boracay Island, Baguio City, and Clark Pampanga, with priority on : Grafik Baguio (250+ keys), and Crimson Clark (300+ keys).

Grafik Baguio redefines travel for multi-generational explorers, offering a sensory-rich journey through culture, flavors, and art.. The property is located in Camp John Hay, Baguio City and is targeted for completion by the end of 2026.

Crimson Clark is an expansion of QPCC Clark comprising of 300+ rooms with restaurants and cafes at the ground floor, roof deck bar, and stand-alone spa. The expansion wing will connect to the ballroom area of the property's existing wing and will provide additional hospitality offerings for Filinvest Mimosa+ Leisure City. Groundbreaking is set for 2026, with completion expected in 2029.

D. Competition

The Philippine hospitality industry is highly competitive, driven by the recovery of tourism, strong domestic travel demand, and the continued entry of local and international hotel operators across key destinations. Competition is characterized by increasing hotel supply, pricing pressures, brand proliferation, and the growing presence of alternative accommodation platforms, particularly in major urban and leisure markets. At the same time, branded residences and mixed-use developments are increasing competition in premium and extended-stay segments, while regional markets such as Thailand, Vietnam, and Indonesia are strengthening their competitiveness, intensifying the fight for international demand.

The Group competes across multiple segments from premium and luxury resorts to midscale and lifestyle hotels against global hotel chains, regional players, independent operators, and vacation rental platforms. Competitive intensity is most pronounced in destinations such as Boracay, Cebu, Clark, and Metro Manila, where operators compete on brand strength, service quality, location, pricing, distribution reach, and technology-enabled capabilities.

The Group believes that success in the Philippine hospitality market depends on a combination of external factors and internal capabilities. While industry performance is influenced by political and economic conditions, health and security events, climate-related risks, and overall destination appeal, the Group believes it is well positioned to compete due to its diversified portfolio, strong domestic market presence through its homegrown brands, and disciplined approach to operational resilience, cost management and capital deployment.

Competition also extends to the acquisition and development of suitable land and hospitality assets, particularly in prime tourism locations where supply may be limited. The Group believes its positioning is strengthened by access to Filinvest-developed townships and mixed-use estates, which provide integrated locations, master-planned environments, and built-in demand generators that may not be readily available to stand-alone hotel developers.

E. Intellectual Properties

Below are the Hospitality Group's trademarks registered with the IPO:

TRADEMARK	DATE OF REGISTRATION	TRADEMARK	DATE OF REGISTRATION
CRIMSON HOTELS & RESORTS	June 24, 2010	ART PALAWAN DEVICE	November 13, 2023
CRIMSON AND DESIGN	July 22, 2010	ART QUEZON CITY COLORED	November 13, 2023
SCORE SPORTS BAR	November 27, 2014	ART QUEZON CITY BLACK AND WHITE	November 13, 2023
SAFFRON CAFÉ	April 9, 2015	ART QUEZON CITY DEVICE	November 13, 2023
CHROMA DRIVEN HOSPITALITY	January 21, 2016	ART BOHOL COLORED	November 27, 2023
CHARLEY'S	October 27, 2016	ART BOHOL BLACK AND WHITE	November 27, 2023
MIMOSA AND DEVICE	November 24, 2016	ART BOHOL DEVICE	November 27, 2023
IN A HEARTBEAT	November 9, 2017	ART BORACAY COLORED	November 27, 2023
PULSE	May 23, 2019	ART BORACAY DEVICE	November 27, 2023
QUEST PLUS	May 23, 2019	BAKER J BREAKFAST COMPLET	April 13, 2024
ALITAPTAP	November 21, 2019	GRAFIK	May 27, 2024
CRIMSON RESORT & SPA BORACAY	September 27, 2020	RARE BAR & GRILL (LOGO)	June 22, 2024
CRIMSON RESORT & SPA MACTAN CEBU	September 27, 2020	RARE BAR & GRILL (WORD MARK)	June 29, 2024
FIREHOUSE PIZZA	June 18, 2021	PINE HOUSE CAMP JOHN HAY, BAGUIO	September 9, 2024
QUEST	June 25, 2021	QUEST (Logo)	September 14, 2024
QUEST PLUS	October 29, 2021	LA LOCA	October 10, 2024
BAKER J	October 31, 2021	BAY 49	October 19, 2024
ALIBI BAR + LOUNGE	January 3, 2022	MIMOSA PLUS GOLF ACADEMY	December 8, 2024
TAKE EAT EASY (Logo)	February 7, 2022	FEAST ON FLAVORS	December 16, 2024
CRIMZONE	October 20, 2022	LE STELLE (WORDMARK)	January 18, 2025
BALAI AT DAUIN	February 23, 2023	LE STELLE (LOGO)	January 18, 2025
DIVE TRIBE DIVE CENTER	April 7, 2023	BAY 49 LOGO	February 13, 2025
MIMOSA PLUS GOLF COURSE	April 23, 2023	BAY 49 WORDMARK	February 13, 2025
CHROMA HOSPITALITY INC. MANILA BAR	November 6, 2023	SAFFRON	March 6, 2025
ART BANAWA COLORED	November 6, 2023	OmAKase	March 6, 2025
ART BANAWA BLACK AND WHITE	November 6, 2023	HAY DINER WORDMARK	March 7, 2025
ART MANILA COLORED	November 6, 2023	MOSAIC LATIN GRILL WORD	April 11, 2025
ART BORACAY BLACK AND WHITE	November 6, 2023	HAY DINER LOGO	April 11, 2025
ART CEBU DEVICE	November 9, 2023	AUM SPA WORDMARK	May 24, 2025
ART BANAWA DEVICE	November 9, 2023	AUM SPA LOGO	May 24, 2025
ART CEBU BLACK AND WHITE	November 9, 2023	SAHOG	June 21, 2025
ART CEBU COLORED	November 9, 2023	GRAFIK HOTEL COLLECTION	July 17, 2025
ART MANILA BLACK AND WHITE	November 9, 2023	ABE'S CLUB	August 9, 2025
ART PALAWAN COLORED	November 9, 2023	MOUNTAIN CLUB (WORD)	October 9, 2025
ART MANILA DEVICE	November 13, 2023	HYDRAE	October 18, 2025
ART PALAWAN BLACK AND WHITE	November 13, 2023	MEQUENI LIVE	November 23, 2025

* The trademarks "MOSAIC LATIN GRILL LOGO" and "M LOGO" were approved and registered with the IPO on January 1, 2026.

The Hospitality Group has pending applications with the IPO for the following trademarks:

TRADEMARK	
AZURE BEACH CLUB	SIERRA BISTROT (LOGO)
TIMBERLAND MOUNTAIN BIKE PARK	SIERRA BISTROT (WORD)
LIVE LOVE LOCAL	THE SADDLE ROOM (WORD)
Recado	MEQUENI LOUNGE
RECADOS NI CARLOS VILLAFLOR	PUSO BISTRO & BAR

**There are additional seven (7) trademark applications filed in 2026.*

The following trademarks were filed under the Madrid Protocol:

TRADEMARK	DESIGNATIONS UNDER THE MADRID PROTOCOL	WITH STATEMENT OF GRANT
Crimson and Design	Brunei Darussalam, Cambodia, China, Indonesia, Japan, Lao People's Democratic Republic, Singapore, Thailand, USA, Vietnam	Indonesia, Lao People's Democratic Republic, Singapore, USA
Crimson Hotels & Resorts	Brunei Darussalam, Cambodia, China, Indonesia, Japan, Lao People's Democratic Republic, Singapore, Thailand, USA, Vietnam	Indonesia, Cambodia, Lao People's Democratic Republic, Singapore, USA

F. Government Regulations

Accreditation Requirements

The accreditation of hotels, tourist inns, motels, apartels, resorts, pension houses, and other accommodation establishments is governed by rules and regulations pursuant to Executive Order (EO) 120, in relation to RA No. 7160, known as the Local Government Code of 1991. These regulations devolve the Department of Tourism's (DOT) regulatory function over tourist establishments.

The DOT issues accreditation to hotels and resorts, certifying compliance with minimum operational standards to ensure the safety, comfort, and convenience of tourists. In line with industry developments, the DOT issued Memorandum Circular 2024-0002, revising the National Accreditation Standards (NAS) for hotels, resorts, and apartment hotels. These updates reflect current hospitality trends and emphasize Filipinization, digitalization, and sustainable tourism practices. Notably, requirements such as bathtubs and swimming pools are no longer mandatory for higher star ratings, promoting more environmentally friendly hotel operations.

Environmental Laws

Operation and development of resorts managed by the Group require an Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR). The ECC certifies that:

- The proposed project will not cause significant negative environmental impacts.
- The project proponent has complied with the Environmental Impact Statement (EIS) System requirements and committed to implementing an approved Environmental Management Plan (EMP).

An ECC includes specific measures and conditions for the project proponent to comply with before, during, and, if applicable, after the project's abandonment phase to mitigate environmental impacts. The EIS, prepared by the project proponent or an Environmental Impact Assessment Consultant, comprehensively studies the project's environmental impact, outlining measures in the EMP to prevent, mitigate, compensate, and monitor impacts.

Projects requiring an ECC are determined based on:

- (a) The project's nature and potential environmental impacts.
- (b) The sensitivity and vulnerability of environmental resources in the project area.

Projects not covered by the EIS System may require a Certificate of Non-Coverage (CNC) from the Environmental Management Bureau (EMB) to commence without an ECC. An ECC must be implemented within five years from issuance, based on the project proponent's submitted work plan. Failure to implement within this period results in ECC expiration, requiring a new application for project continuation.

Abandonment of projects covered by an ECC requires prior EMB approval. Decommissioning plans must be submitted six months before intended abandonment, verified and approved by the EMB.

1.4.3 Banking and Financial Services

A. Overview

East West Banking Corporation (EW or the Bank) is a domestic universal bank which was registered with the SEC on March 22, 1994. With the effectivity of Section 11 of Republic Act (RA) No. 1132, otherwise known as the "Revised Corporation Code of the Philippines" on February 23, 2019, corporations existing before its enactment are deemed to have perpetual term. Accordingly, the Bank's corporate term is considered perpetual.

EW provides a wide array of products and services catering to the financial needs of consumers, middle market corporates, and the mass affluent. Through its vast network of stores nationwide, it offers a wide range of banking products and services, as well as allied financial services: non-life insurance brokerage, bancassurance, and leasing.

EW was granted authority by the Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank under Monetary Board Resolution No. 101 dated July 6, 1994 and commenced operations on July 8, 1994. EastWest was also granted authority by the BSP to operate an expanded foreign currency deposit unit under MB Resolution No. 832 dated August 31, 1994. On July 26, 2012, the Bank received the approval of the BSP to operate as a universal bank under Monetary Board Resolution No. 1696 dated 25 November 2010. EW's ultimate parent company is A.L. Gotianun, Inc. EW's head office is located at The Beaufort, 5th Avenue corner 23rd Street, Fort Bonifacio Global City, Taguig City. On July 26, 2012, the BSP granted the Bank the authority to operate as a universal bank under Monetary Board Resolution No. 1696 dated November 25, 2010.

Mergers and Acquisitions

On August 19, 2011, EastWest entered into a deed of assignment for the purchase of majority of the outstanding shares and control of Green Bank (A Rural Bank), Inc. (GBI). Consequently, GBI became a subsidiary of EastWest. The GBI acquisition enabled EastWest to significantly expand its branch network by adding 46 branches.

On June 15, 2012, the BSP Monetary Board approved the application of EastWest to acquire up to 100.0% of the outstanding shares of Finman Rural Bank, Inc. (FRBI), subject to certain conditions, a rural bank engaged in the business of extending credit to farmers, tenants, and rural enterprises. EW subsequently increased its ownership in FRBI to 100.0% through additional share acquisitions and capital contributions in 2012 and 2013. In May 2013, FRBI changed its name to East West Rural Bank, Inc. (EWRB) and entered into an asset purchase agreement with GBI, effectively consolidating all of the Bank's rural banking business in EWRB.

In May 2013, EWRB and GBI entered into an asset purchase agreement with assumption of liabilities, in which EWRB will acquire selected loan portfolio, licenses for GBI's branches, and various assets necessary for branch business and operations, as well as assume the deposits and other liabilities incidental to the branch business and operations. The transfer of these assets and liabilities took effect on 31 October 2013.

On February 17, 2014, the SEC approved the application of EastWest to change its registration from a Government Securities Eligible Dealer (with Broker/Dealer of securities functions) to an Underwriter of Securities Engaged in Dealing Government Securities (with Broker/Dealer of securities functions), in accordance with the Securities Regulation Code and its implementing rules, as well as, other pertinent laws, rules and regulations applicable.

On March 28 and June 5, 2014, the BSP and the SEC respectively approved the proposed merger between EW and GBI. On July 31, 2014, the merger between EW and GBI was completed.

On January 29, 2015, the BOD approved the common shares rights offering, subsequently, the BOD approved the application of the bank to list up to 371,574,000 common shares with par value of ₱10 per share to cover its stock rights offering. On May 8, 2015, a total of 371,574,000 common shares were listed at the PSE with ₱10 par value per share. The total proceeds raised by the Bank from the sale of the said shares amounted to ₱8.0 billion while the net proceeds (after deduction of direct costs related to equity issuance) amounted to ₱7.9 billion.

On May 18, 2015, the BSP approved EastWest's initial equity investment amounting to ₱30.0 million in East West Brokerage, Inc. (EWIB), a proposed wholly owned Brokerage insurance company of EastWest. EWIB was registered with the SEC on July 6, 2015.

On September 21, 2015, the BSP approved the request of the Bank for initial equity investment amounting to ₱500.0 million in East West Ageas Life Insurance Corporation (EWAL), a proposed joint venture with Ageas Insurance International N.V. The joint venture company, EWAL, shall be primarily engaged in life insurance business. EWAL was registered with the SEC on October 20, 2015.

On May 6, 2016, EW entered into an asset and share transfer agreement with Standard Chartered Bank (SCB) and SCMB Overseas Limited for the acquisition of SCB Philippines' retail banking business (including all of SCB Philippines' three branches) and the transfer of 100.0% ownership of the entities, namely: QMIS and ASIA. The acquisition was approved by the BSP on August 8, 2016. On November 25, 2016, after satisfying all the conditions under the asset and share transfer agreement, the transfer of assets and liabilities was completed.

In 2016, the BSP approved and confirmed the initial equity investment in East West Leasing and Finance Corporation (EWLF) of ₱100.0 million. It was registered with the SEC in October 2016 with secondary license to operate as a financing company in accordance with the Financing Company Act of 1998 and its implementing rules and regulations. The principal place of business of EWLFC is at East West Corporate Center, The Beaufort, 5th Avenue corner 23rd Street, Fort Bonifacio Global City, Taguig City.

On July 13, 2017, the BOD approved the following: (1) the Bank's increase in authorized capital stock from ₱20.0 billion to ₱50.0 billion and (2) the subsequent declaration of a 50% Stock Dividend or 750,000,000 common shares to cover the minimum required subscription and payment for the said increase in authorized capital stock. On April 16, 2018, a total of 749,991,801 common shares were listed at the PSE.

On June 19, 2019, the Philippine Competition Commission (PCC) approved the Bank's purchase of the dealer-generated auto-lending portfolio held by Philippine Bank of Communications (PBCom).

B. Securities Issuances

Equity Issuances

On February 1, 2018, the BSP approved the following amendments to EW's Articles of Incorporation, which were approved and confirmed by EW's BOD at its special meeting on July 13, 2017, to provide flexibility for future capital requirements:

- a. Increase of EW's authorized capital stock from ₱20.00 billion to ₱50.00 billion consisting of 4.50 billion common shares with par value of ₱10.00 per share or a total par value of ₱45.00 billion and ₱0.50 billion preferred shares with par value of ₱10.00 per share or a total par value of ₱5.00 billion.
- b. Declaration of 50.00% stock dividends equivalent to ₱7.50 billion from EW's unrestricted retained earnings as of December 31, 2016 to meet the required subscribed and paid amount of capital stock per Corporation Code after the increase in the authorized capital of EW. The increase in EW's authorized capital stock and stock dividend declaration were subsequently approved by BSP on September 29, 2017 and by SEC on February 28, 2018.

On April 16, 2018, a total of 749,991,801 common shares were listed at the PSE.

C. Subsidiaries and Joint Venture

The consolidated financial statements of EW include the accounts of EW and its subsidiaries. The nature of business and the corresponding percentages of ownership of EW over these entities as at December 31, 2025, 2024 and 2023 are summarized below. The voting rights held by the EW in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	2025	2024	2023
East West Rural Bank, Inc. (EWRB)	Consumer banking	100	100	100
	Non-life insurance			
East West Insurance Brokerage, Inc. (EWIB)	brokerage	100	100	100
East West Leasing and Finance Corporation (EWLFC)	Finance and leasing	100	100	100
Quest Marketing and Integrated Services, Inc. (QMIS)	Sales and marketing	100	100	100
Assurance Solutions Insurance Agency (ASIA)*	General insurance and marketing	100	100	100

* Non-operational since 2017

EWRB

East West Rural Bank, Inc. (formerly Finman Rural Bank, Inc.) was incorporated and registered with SEC on November 5, 1997, for the purpose of accumulating deposits and granting loans to various individuals and corporate entities as well as government and private employees. The Bank was granted authority by BSP to operate as a rural bank and commenced operations in March 1998. Its principal office is located at 3rd and 4th Floors, East West Bank Building, J.P. Laurel Avenue corner Iñigo Street, Bajada, Davao City.

EWIB

East West Insurance Brokerage, Inc. (EWIB) was incorporated and registered with the SEC on July 6, 2015 primarily to act as an insurance broker in soliciting, negotiating, and forwarding applications for fire insurance, motor car insurance, engineering insurance, personal accident insurance, travel insurance, bonds & surety, directors and officer's liability insurance, aviation insurance, marine cargo insurance and other non-life insurance services. On September 23, 2015, EWIB received its license to act as an insurance broker from the Insurance Commission ("IC"). It started its commercial operations on September 24, 2015. Its principal place of business is located at The Beaufort, 5th avenue corner 23rd street, Bonifacio Global City, Taguig City.

EWLFC

East West Leasing and Finance Corporation (EWLFC) was incorporated and registered with the SEC on October 6, 2016, primarily to engage in general financing and investment business, with secondary license to operate as a financing company in accordance with the Financing Company Act of 1998 and its implementing rules and regulations. Its place of business is located at The Beaufort, 5th avenue corner 23rd street, Bonifacio Global City, Taguig City.

QMIS

On November 25, 2016, SCMB Overseas Ltd., a wholly owned subsidiary of SCB Philippines, completed the transfer of its 100% ownership of Quest Marketing and Integrated Services Inc. (QMIS) as part of the asset and share transfer agreement by and between SCB Philippines and SCMB.

QMIS was registered with the SEC on July 17, 2007 primarily to engage in:

- sales and marketing services for financial institutions;
- providing marketing facilities and consultancy;
- providing management and staffing services for sales and marketing requirements; and
- providing debt collection and customer service facilities to financial institutions.

The principal place of business is at 7th Floor, Global Trade Center, 1024 EDSA, Quezon City.

ASIA

On November 25, 2016, SCMB Overseas Ltd., a wholly owned subsidiary of SCB Philippines, completed the transfer of its 100% ownership of Assurance Solutions Insurance Agency (ASIA) as part of the asset and share transfer agreement by and between SCB Philippines and SCMB. ASIA was registered the SEC on July 17, 2007 primarily to engage in general insurance agency business. The principal place of business is at 6th Floor, 6788 Sky Plaza Building, Ayala Avenue, Makati City.

Investment in a Joint Venture

East West Ageas Life Insurance Corporation

East West Ageas Life Insurance Corporation (EWAL) was incorporated and registered with the SEC on October 20, 2015. The Company's primary purpose is to undertake and write insurance upon the life of individuals, and every insurance appertaining thereto or connected therewith; to make contracts of insurance providing for all risks, hazards, guarantees and contingencies to which life, accident, or health insurance is applicable; to indemnify against legal liability; to compute endowments and grant, purchase or dispose of annuities; to procure re-insurance of its risks; to issue policies stipulated to be with or without participation in profits; and to purchase for its own benefit any policy of insurance or other obligation as well as claims of policyholders.

On December 22, 2015, the Company obtained from the Insurance Commission (IC) a license to operate as a life insurance business. The Certificate of Authority was granted effective from January 1, 2016 to December 31, 2018 and renewed on December 5, 2018 with certificate No. 019/07-R effective from January 1, 2019 to December 31, 2021. On December 16, 2021, the Company renewed its license with certificate No. 22/19-R effective from January 1, 2022 to December 31, 2024. The latest renewal happened on December 23, 2024 with certificate No. 2025/16-R effective from January 1, 2025 to December 31, 2027.

The Company started its commercial operations on February 1, 2016.

On March 28, 2016, East West Banking Corporation (EW) and Ageas Insurance International N.V. (Ageas) entered into a Deed of Sale for the transfer of 1,666,655 shares from EWBC to Ageas. The resulting shareholder structure became 50% less one share for EWBC and 50% plus one share for Ageas. EWBC and Ageas control the Company through a Joint Venture Agreement.

D. Principal Products and Services

Branch Banking

The Branch Banking Group serves as the physical distribution network of the bank tasked mainly in generating deposit funding and cross-selling of products and services of the bank. This is composed of physical branches which we refer to as Stores, true to the intention of serving as a distribution and service channel. As branches are located in strategic areas to cover our target markets, it caters to a wide array of segments from large corporates, middle markets, and individual retail customers. EW analyzes the market landscape to acquire new customers and grow relationships with existing ones. It does this by understanding client needs, providing appropriate solutions and creating value for financial needs including but not limited to deposit and cash management, investments, loans and lending requirements, bancassurance, and transaction banking. BBG has been investing in technology and continuous process improvements to streamline sales and operations practices and enhance overall customer experience.

Access to Bancassurance Products

EW also offers both traditional and non-traditional/variable life insurance products through our bancassurance partner – EastWest Ageas Life Insurance Corp to potential investors. Customers can invest via one time (available in both local or dollar currency) or recurring (available in local currency only) modal payments.

Cash Management Services

Channel Services: EasyBiz

Collection Services: Auto Debit Arrangement, Bills Collect, Cash Vault, Check Pick-up, Check Warehousing, Deposit Pickup, POS & Payment Gateway Partnerships, Remote Check Deposit

Disbursement Services: Bizcheque Online, Bizcheque Plus, Check Cutting, Corporate Bills Payment, EasyBiz – BizAccess Card, EasyBiz - Instapay, EasyBiz - Pesonet, EasyBiz – Third Party Transfers, Quick Cheque

Liquidity Management Services: Account Sweeping, Reverse Account Sweeping

Payroll: eCredit, Payroll System with HRIS, Payroll Crediting, TimeKeeping

Other Services: Government Payments, Electronic Invoice Presentment and Payment (EIPP)

Consumer Lending

EW offers various types of consumer lending products to individuals, which consist principally of credit cards, auto loans, residential mortgage loans and personal loans. EW reviews various factors in evaluating prospective clients, including but not limited to the capacity of the borrower to repay the loan. The Bank also considers various factors in pricing its loans such as but not limited to the delinquency rates of particular market segments, the funding costs of the portfolio, direct and indirect expenses related to granting consumer loans and the target spread of the loan portfolio. Loan terms are differentiated according to factors such as a customer's financial condition, age, loan purpose, collateral and quality of relationship with the Bank. EW focuses its core business towards consumer financing where it has a competitive advantage. Several product lines were launched to ascertain that its target market is reached.

Credit Cards

EastWest commenced its credit card business in the early 2000s as part of its expansion into consumer lending. In 2009, the Bank strengthened its credit card portfolio through the acquisition of AIG Philam Savings Bank, which expanded its customer base and enabled the issuance of Visa credit cards. The Bank further broadened its product offerings with the launch of JCB credit cards in 2022.

Since then, the Bank has expanded its credit card product offerings to address evolving customer needs. It has strengthened its capabilities through partnerships with global payment networks, including Mastercard, Visa, and JCB, and through the development of merchant alliances. From an initial base of 10,000 credit cards in the early 2000s, the Bank has grown its portfolio to over one million issued credit cards. This represents approximately 6% market share in the Philippines as of December 31, 2025, based on data from the Credit Card Association of the Philippines.

Revenues from the credit card business are derived from interest on revolving balances and installment transactions, as well as fee-based income such as interchange fees, cash advance fees, annual membership fees, and other service charges. These are recognized in the Bank's financial statements as interest income and as part of other operating income under service charges, fees, and commissions.

The Bank continues to enhance its distribution channels and product offerings to support credit card growth across both online and in-store payment channels, driven by customer acquisition, increased transaction volumes, merchant partnerships and segmented portfolio management.

Corporate Banking

The Corporate Banking Group (CBG) is responsible for the overall management and development of EW's corporate relationships. Although the activities of CBG are primarily focused on the working capital, term funding, and project finance requirements of its core mid-market customer base—predominantly comprised of entrepreneurial or family-owned businesses—it also maintains and develops relationships with large corporate accounts.

In line with our strategic direction in 2025, the Corporate Banking Group has started to develop key ecosystem anchor clients, allowing EW to deepen its relationship not only with the anchor but also with its network of suppliers, distributors, and customers. By embedding ourselves within these ecosystems, we aim to provide more comprehensive solutions that address the full value chain of our clients.

The Group continues to offer the full suite of EW's products and services—including cash management, foreign exchange, and deposit and investment products—to its corporate clients. EW believes that successfully identifying and offering holistic, value-adding solutions to its clients' banking needs remains essential to placing EW at the top of its clients' minds when choosing a banking partner.

Credit Products

EW provides a wide range of loan products and services to its corporate customers, including revolving credit lines, domestic and foreign bills purchase, acceptances, trade finance facilities, bank guarantees, and term loans. These credit facilities may be offered on either a secured or unsecured basis, depending on the assessed credit risks of the customer and its business.

To support our strategy of creating a balanced, diversified, and forward-looking portfolio, we continue to serve corporate customers across various industries and regions throughout the Philippines.

In 2025, EW is also investing in new product development—particularly in supply chain financing, distributor financing, and other structured lending solutions—to strengthen our ability to support clients across their ecosystems. These innovations are designed to enable us to provide even better solutions that cater to the funding requirements of not only our direct borrowers but also their suppliers and trading partners, further solidifying our role as a strategic banking partner in our clients' growth.

Auto Loans

EW's auto loans are offered through car dealerships (including second-hand car dealers), independent sales agents and EW's online channels and stores. The auto loan business also engages in strategic partnerships with major car brands to develop exclusive and non-exclusive financing programs. Additionally, EW cross-sells its auto loans with the products of other units and offers special plans for existing and repeat customers. EW provides incentives to car dealerships and independent sales agents based on each booked auto loan amount. A key competitive factor in the automotive loan business is the speed by which a bank can process an automotive loan, as dealers will offer a loan to multiple banks and the Bank offers a 1 to 3-day auto loan approval process, which EW believes is an important aspect to its success in growing its auto loan portfolio.

All EW's auto loans are secured by a chattel mortgage over the car being purchased. In addition to being subject to EW's internal credit checks, EW generally requires the borrower to make a minimum down

payment of 20.0% of the purchase price. Depending on whether the car being purchased is new or second-hand, the interest rate of EW's auto loans can range from 9% to 19.5%, with an average maturity of 57 months. When an installment payment becomes delinquent, EW employs various means to collect from the customer such as SMS, callouts, field visits, and eventually repossession and foreclosure should curing be unlikely. Foreclosed cars are generally sold by EW through public auction.

Residential Home Mortgage Loans

Empowering Filipinos Through Home Ownership

EastWest Bank (EW) remains committed to empowering Filipinos in achieving their dream of homeownership by serving as a leading architect of innovative, efficient, and accessible home lending solutions. Catering to both retail and wholesale segments

Comprehensive Home Lending Solutions

EW provides residential home financing to Filipino buyers intending to acquire various types of residential real estate, including house and lot properties, townhouses, and condominium units. Beyond property acquisition, EW extends its financing solutions to borrowers seeking funds for renovation, construction, refinancing, investment, or multipurpose loans secured by their owned real estate assets.

All EW home lending solutions are backed by a first mortgage on the property, ensuring security and sustainability for both the borrower and the bank. To maintain credit quality, each applicant undergoes a rigorous evaluation process, with borrowers required to make a minimum down payment of 10-20% of the total contract price or appraised value, depending on loan purpose.

Expansive Distribution Network and Developer Partnerships

With 357 stores nationwide, EW leverages its extensive branch network as a key distribution channel for home lending products. Strategic marketing campaigns further enhance customer engagement, attracting prospective homebuyers. Additionally, EW has cultivated strong partnerships with a roster of accredited real estate developers, enabling direct access to property buyers in need of residential home financing.

Loan Maturity and Interest Rate Structure

The average maturity for EW home lending products is 15 years, aligning with industry standards. The bank offers various fixed-rate options, including one-year, two-to-three-year, and five-year terms, with interest rates repriced at the end of each term based on a fixed annual rate. To provide financial stability for borrowers, EW offers one of the longest payment terms in the market—up to 30 years (house and lot)—ensuring lower and more manageable amortization payments compared to the standard 20-year term offered by most lenders. Furthermore, borrowers have the option to choose a fixed term pricing scheme, protecting them from fluctuating interest rates.

Managing Mortgage Risk and Foreclosure Process

In cases of mortgage delinquency, borrowers may voluntarily agree to the disposition of their property to EW. If necessary, EW initiates foreclosure proceedings, with foreclosed properties primarily sold through public auctions or designated brokers. The foreclosure process generally takes between 16 and 20 months, adhering to regulatory guidelines while maintaining asset quality.

Commitment to Competitive Home Financing

EW continuously enhances its home financing products, combining competitive interest rates with flexible loan structures to meet the diverse needs of Filipino borrowers. By providing extended loan terms and fixed-pricing options, EW ensures that homeownership remains accessible and sustainable, reinforcing its position as a trusted financial partner in the real estate sector.

Personal Loans

EW's personal loans business provides unsecured, uncollateralized consumer loans to qualified individuals for multi-purpose personal use. The primary distribution channel for personal loans is EW's stores and third-party sales agencies. EW offers personal loans to employed and self-employed individuals with gross

(basic) monthly income of at least ₱15,000 or basic annual income of not less than ₱180,000. The monthly add-on interest rate for a personal loan starts at 1.79% and is payable in fixed equal monthly installments from 12 to 60 months.

Rural Banking

With the aim to increase the number of banking Filipinos, the Bank has established its rural banking arm-East West Rural Bank (EWRB). Backed by a strong commitment to excellence, EWRB's goal is to become an "experience provider" by offering wider access to innovative products and delivery channels that are available to cater to the financial needs of Teachers and SSS Pensioners.

Treasury and Trust

Treasury

The Bank's Treasury Group has primary responsibility for managing the Bank's liquidity, interest rate, and foreign exchange exposures. The Bank manages its liquidity position by regularly reviewing its cash flow position, debt maturity profiles, and available credit facilities. This ensures that the bank has stable sources of funding to service client requirements and its daily operations. The Bank's Treasury Group also actively participates in the financial markets to hedge exposures as well as seek opportunities that could augment the bank's other revenue sources. It trades local and foreign-currency-denominated treasury bills and Bonds, as well as foreign exchange products. The Bank is an accredited Government Securities Eligible Dealer.

Trust

EW offers a range of trust products and services, including fund management, investment management services, safekeeping, escrow agency services, personal management trust services and employee benefit trust services. The Bank provides retail customers with various investment opportunities through its Unit Investment Trust Funds (UITFs), which are available in Peso and U.S. dollar-denominated UITFs. In a UITF, funds of various investors are pooled and invested in a diversified portfolio of liquid securities, term deposits, money market instruments or stocks in accordance with the investment objectives and restrictions stated in the Declaration of Trust.

E. Distribution Network

As of December 31, 2025, EastWest Bank has a total of 359 stores, with 184 of these stores in Metro Manila. For the rest of the country, the Bank has 98 stores in other parts of Luzon, 39 branches in Visayas, and 38 stores in Mindanao. The total ATM network is 528, composed of 443 on-site ATMs and 85 off-site ATMs. Total headcount of EastWest is 6,799.

EW's subsidiaries have a total of 77 stores and 1,865 officers/staff, bringing the EWs store network total to 436 with 528 ATMs and a combined manpower complement of 8,664.

F. Competition

The banking industry in the Philippines is composed of universal banks, commercial banks, savings banks, savings and mortgage banks, private development banks, stock savings and loan associations, rural banks cooperative banks and Islamic banks.

As of March 2026, the banking sector consisted of 44 universal and commercial banks (updated as of March 2026 on BSP's Directory of Banks and Non-Banks), of which 22 were universal banks and 22 were commercial banks. Of the 22 universal banks, 13 were private domestic banks, 3 were government banks, and 6 were branches of foreign banks. Of the 22 commercial banks, 2 were private domestic banks, 2 were subsidiaries of foreign banks, and 18 were branches of foreign banks.

As of December 31, 2025, the top 10 largest universal and commercial banks accounted for approximately 87.7% of total assets and 88.3% of total deposits of the universal and commercial banking system based on published statements of condition.

As of December 31, 2025, the ten largest universal and commercial banks account for approximately 88.5% of the net customer loan portfolio of the universal and commercial banking system, based on published statements of condition.

G. Customer Concentration

The Bank has a diversified customer base and there is no concentration of business in major customer groups. As such, the Bank is not dependent upon a single customer or a few customers.

H. Transactions with and/or Dependence on Related Parties

In the ordinary course of business, EW has loan transactions with some subsidiaries and with certain directors, officers, stockholders and related interests. Under EW's policies, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

I. Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements Held

In 1994, EW obtained a Certificate of Registration and bank license from the SEC to operate under the corporate name "East West Banking Corporation."

EW uses a variety of names and marks, including the name "East West Banking Corporation" and EW's logo, in connection with its business. The Bank has registered such names and marks with the Intellectual Property Office of the Philippines.

On January 25, 2012, the Bank obtained a certification from the BSP on a US-based bank using a similar name. As certified by BSP, the US-based bank has not been issued a license to operate as a banking institution in the Philippines. The BSP also certified that the Bank is among the commercial banks it supervises. On October 10, 2013, the Intellectual Property Office of the Philippines issued a decision in favor of the Bank, cancelling the mark "EAST WEST BANK & COMPASS LOGO" previously registered in the name of a US-based bank.

J. Government Regulation

EW's principal products and services are offered to customers only upon receipt of the necessary regulatory approvals or clearances. The Bank strictly complies with the related regulatory requirements such as reserves, liquidity position, loan exposure limits, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other reportorial requirements.

K. Effect of Existing or Probable Governmental Regulations on the Business

EW strictly complies with the BSP requirements in terms of capitalization reserves, liquidity position, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other reportorial requirements as well as other regulatory agencies such as the Securities and Exchange Commission, Philippine Stock Exchange, Philippine Deposit Insurance Corporation and the Bureau of Internal Revenues, among others.

L. Amount Spent on Research and Development Activities

EW's research and development activities are mainly driven by market research and process improvements. EW's businesses are heavily dependent on the ability to timely and accurately collect and process a large amount of financial and other information across numerous and diverse markets and products at its various branches, at a time when transaction processes have become increasingly complex with increasing volume.

The amount spent on research and development activities (in million pesos) and its percentage to revenues for the last 3 years has been as follows:

Year	Amount	% of Revenue
2025	₱3.33	-
2024	₱3.94	—
2023	₱9.11	—

1.4.4 Power and Utility Operations

A. Overview and Recent Developments

The Group, through FDC Misamis, completed the construction of its 3 x 135 MW CFB clean coal thermal power plant in Mindanao. Currently under operation, the plant has off-take agreements for 373 MW with 29 distribution utilities in Visayas and Mindanao. The plant's 3 units are fully operational with COC received in October 2016. As of March 16, 2026, the construction of the additional one unit of 135MW CFB thermal power plant is on going which is estimated to be completed by 2027.

FDCUI, through its subsidiary FREE, has installed and currently operating several solar rooftop projects for various commercial and industrial users with an aggregate installed capacity of 6.4386 MWp. Its first project, which was completed in December 2021 and commercially operated in January 1, 2022, is situated in Alabang, Muntinlupa. In 2025, two additional rooftop projects in Laguna and Cebu were completed and started commercial operations.

FDCUI, through its subsidiary FDC Green, has completed the construction of its first ground mounted solar in Mindanao with a total capacity of 20.774 MWp in December 2025. The project is under testing and commissioning as of March 16, 2026, with estimated commercial operation in May 2026. In the pipeline are two additional ground mounted solar projects with a total capacity of 53.14MWp to be constructed within Cotabato with target completion in 2027 and 2028.

These projects are registered with the BOI.

Supply

As part of fuel sourcing strategy, FDCUI implements a continuous evaluation and inspection process to pre-qualify nominated coal mine source/s and potential suppliers. FDCUI is also finalizing its long-term fuel supply contracts with terms between 5 to 10 years for its FDC Misamis plant to ensure security of supply and continuous operation of the power plant. Contracts will have to meet supply capability, delivery reliability, and track record qualifications.

Retail Electricity Supply

FDCUI is also in the retail electricity supply business catering to contestable customers under the Retail Competition and Open Access (RCOA) regime. In July 2016, FDC RES, a subsidiary of FDCUI, was awarded a Retail Electricity Supply license from the Energy Regulation Commission (ERC), which allows it to act as an electricity supplier to consumers in the retail market, such as hotels and other commercial businesses. As of December 31, 2025, FDC RES is servicing 36 contestable customers with an aggregate contract capacity of 35MW.

Water and Wastewater Services

CWSI provides water and wastewater services to its affiliates in the property/hospitality business such as housing projects of Filinvest Land, Inc., locators within Filinvest City in Alabang and the Filinvest Mimosa Leisure Estate in Clark, Pampanga as well as to external resorts and residential projects. CWSI's water services include the supply and distribution of potable water to domestic, commercial, and industrial consumers while its wastewater services include the treatment of domestic and commercial sewage.

In August 2019, FDC entered into a joint venture agreement with HAQT to form FLOW to provide water solutions and water treatment facilities, including desalination, recycled water and wastewater services for FDC Group projects as well as commercial customers in the public and private sectors. FLOW is exploring opportunities to provide bulk water supply to water districts using sea water reverse osmosis desalination facilities.

B. Corporate Social Responsibility (CSR) Programs

Committed to continuing the Gotianun tradition of making a difference in the lives of Filipinos, FDCUI through its subsidiary, FDC Misamis, has been implementing social development programs in partnership with host communities. These programs promote environmental stewardship, economic enrichment, enhanced health care initiatives, empower through education and help create a positive impact on the communities surrounding the project site. These CSR activities, where employees also actively participate and volunteer, are based on real needs of the community residents as determined through a socio-economic baseline study of the host and affected villages.

C. Competition

Competition in the power industry, particularly in renewable energy space has picked up due to various efforts of the government to increase RE share to meet its target by 2030. Several mechanisms have been put in place such as the Green Energy Auction Program (GEAP), Green Energy Option Program (GEOP), increase in Renewable Portfolio Standard (RPS), removal of the foreign ownership cap, among others, which attracted not only local developers but also foreign investors.

The top 3 major players continue to stand out in power industry as their combined capacity account for more than 50% share in the total generation capacity with a diverse portfolio consisting of coal, natural gas, hydro, geothermal, diesel, and RE sources. Other large players also continue to expand their existing capacities.

Notwithstanding competition, attractive investment opportunities are available for FDCUI, especially in the renewable energy space as well as in the retail supply sector leveraging on synergy of FDCUI with other FDC subsidiaries.

D. Government Regulations and Environmental Laws

The Electricity Power Industry Reform Act (EPIRA), which brought about changes needed in the power industry since the National Power Corporation (NPC) was established in 1936, is now on its 24th year of implementation. EPIRA was enacted to overhaul the power industry. Among its goals are (1) the deregulation of the generation sector; (2) creation of a government-owned transmission company and the eventual privatization of the operation of the transmission system; (3) unbundling of supply activities from the regulated distribution sector; (4) elimination of cross-subsidies within and among various grids, and among various classes of consumers; (5) Creation of an independent regulatory body ERC and a Joint Congressional Power Commission to oversee implementation of the law. The EPIRA also called for the privatization and sale of NPC assets and contracts with Independent Power Producers (IPPs) which would help the government pay off NPC's debts and invite the participation of private sector in the industry, creation of a wholesale electricity spot market for the trading of energy and the implementation of retail competition and open access.

Renewable Energy (RE) Act of 2008. The RE Law aims to accelerate the development and use of renewable energy resources and reduce the country's dependence on fossil fuels. The law provides for a set of incentives to RE businesses such as income tax holiday (ITH), duty-free importation and special realty tax rates on equipment and machinery, corporate tax rate of 10% after seven years of ITH and zero percent VAT rate on the sale of fuel or power generated from RE.

The RE Law also creates the Renewable Portfolio Standards which sets a minimum percentage of generation from eligible RE resources and the Feed-in Tariff System, which determines the fixed tariff to be paid to electricity from emerging RE technologies and gives priority connection, purchase and transmission of electricity generated from RE.

Other market mechanisms that will contribute to the development of the renewable energy sector of the country are the Green Energy Auction Program (GEAP) and the Green Energy Options Program (GEOP). The GEAP intends to bid 2 GW to meet the installation targets of the different RE technologies throughout the country. Objectives of the GEAP include promoting renewable energy as primary energy source to achieve energy security and creating market signals in the pricing of renewable energy certificates related

to the RPS requirement of utilities. The GEOP empowers end-users with demand of at least 100 kW to choose renewable source supply as their preferred supply.

In addition, certain of the Group's new solar projects are registered with the Board of Investments (BOI) and are therefore covered by the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, as amended by the CREATE MORE Act. Under the relevant BOI registration and the Strategic Investment Priority Plan, registered business enterprises may be entitled to an income tax holiday (ITH) and thereafter the enhanced deductions regime (EDR). CREATE MORE also introduced a reduced 20% corporate income tax rate for BOI-registered business enterprises that opt for the EDR (on income attributable to the registered project or activity), and expanded the scope of VAT zero-rating/VAT and duty incentives for purchases that are directly attributable to the registered project or activity, subject to compliance with applicable BOI/FIRB/BIR requirements.

ERC. The enactment of the EPIRA law created the ERC to replace the Energy Regulatory Board. The ERC is an independent regulatory body with quasi-judicial, quasi-legislative and administrative functions in the electric industry. The primary responsibilities of the ERC are to ensure consumer education and protection and to promote competitive operations in the electricity market.

DOE. The DOE was created under Republic Act (RA) 7638 in 1992. Its mandate is to "prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation". The DOE has developed a 10-year Philippine Energy Plan with the goal of enhancing energy security/independence and implementing market sector reforms to enable a more efficient sector's operation and ensure proper supply of a growing energy demand.

1.4.5 Sugar Business

A. Overview and Recent Developments

FDC has a 100.0% ownership interest in PSHC which it acquired in 2007. PSHC wholly owns DSCC, which owns and operates a sugar mill and a refinery in Guihing, Davao del Sur; CSCC, which owns and operates a sugar mill and refinery in Matalam, North Cotabato; and HYSFC, which operates a corporate sugarcane farm in Mindanao. Sugarcane supply for DSCC and CSCC is sourced from local sugarcane HYSFC and various contract farms in Mindanao. PSHC is the holding company of the sugar subsidiaries.

The following table sets forth a summary of key information of the Sugar Group:

Subsidiary	Nature of Business	Summary features
DSCC	Manufacture of raw and refined sugar	4,500 tons cane per day raw sugar mill and 300 tons day refinery
CSCC	Manufacture of raw and refined sugar	5,500 tons per day raw sugar mill and 200 tons per day refinery
HYSFC	Sugarcane farming	Farms 501 hectares in Davao del Sur and North Cotabato (as of September 30, 2025)

B. Sugar Production

Production Process and By-products

Raw sugar production process involves cane crushing, clarification and crystallization, and separation, and yields molasses and bagasse as by-products. The molasses is sold and the bagasse is used to generate steam and electricity for the sugar production process. During the crushing season, all of the Sugar Group's power requirements are satisfied from the bagasse it produces. The typical sugarcane material balance is as follows: water – 73.0% to 76.0%, soluble solids 8.0% to 16.0%, recoverable sugar (sucrose) – 6.0% to 13.5%, other sugar (fructose, glucose) – 1.5%, fibre – 11.0% to 16.0%, others – 1.0%, based on the Handbook of Cane Sugar Engineering.

Production Capacity and Output

For Crop Year (CY) 2024–25, the Sugar Group’s total sugarcane crushing capacity at its 2 sugar mills was 10,000 Tons of Cane per Day (TCD). Sugar production is dependent on the quantity of sugarcane available for crushing and the recovery percentage of sugar from sugarcane. Recovery percentages vary depending on the quality of the sugarcane and the efficiency of the recovery process. PSHC’s crop year begins on October 1 of each year and ends on September 30 of the following year. Actual sugar production occurs within this crop year. The duration of the crushing period which is based on the available cane supply generally determines the amount of sugar that is produced.

The following table sets forth the volumes of sugarcane crushed, and sugar produced at the Sugar Group’s mills for the past 3 crop years.

	Sugarcane Crushed and Sugar production								
	DSCC			CSCC			Total		
	CY 2022 -2023	CY 2023 -2024	CY 2024 -2025	CY 2022 -2023	CY 2023 -2024	CY 2024 -2025	CY 2022 -2023	CY 2023 -2024	CY 2024 -2025
Sugarcane Crushed (‘000 MT)	214.6	228.0	312.8	489.2	699.8	1,023.6	704.0	927.8	1,336.4
Sugar Production (‘000 MT)	18.1	21.1	27.1	43.8	62.5	84.7	61.9	83.6	111.8
Average Recovery rate (% of sugarcane crushed)	8.4	9.2	8.7	8.9	8.9	8.3	8.8	9.0	8.4

The increase in tons cane milled is due to the increase in hectareage, farm yield and improved factory performance.

Raw and Refined Sugar Production

The Group has decided to mothball the CSCC and DSCC refinery so that it can concentrate on maximizing its raw sugar efficiency and therefore can better compete with the Bukidnon mills in attracting sugar cane planters. The depressed margin for refined sugar due to VAT and the soft demand for refined sugar due to the shift of certain major industrial users to the cheaper high fructose corn syrup has made it more beneficial to concentrate on improving raw sugar recovery.

The following table sets out the breakdown of sugar sales between raw and refined sugar of the Group.

	Sugar Sales (‘000 MT)					
	CY 2022-23	% of Total	CY 2023-24	% of Total	CY 2024-25	% of Total
Raw sugar	55.0	98.4%	72.8	99.2%	71.1	100.0%
Refined sugar	0.9	1.6%	0.6	0.8%	0.0	0.0%
Total	55.9	100.0%	73.4	100.0%	71.1	100.0%

Molasses and Bagasse Production

The yield of molasses per metric ton of sugarcane crushed is approximately 4.1%, or 41.1 kilos, most of which the Group sells to traders in the domestic market. Molasses can be used to produce ethanol. Each metric ton of sugarcane that Sugar Segment crushes also produces approximately 30.7%, or 307.0 kilos of bagasse, which is fed to a boiler as fuel to produce steam which is then used to generate power necessary for the sugar production process.

Customers and Markets

The Group sells its raw and refined sugar primarily to traders who then sell sugar to end-customers in the Philippines. End customers include wholesalers and retailers as well as food and beverage companies.

The following table sets forth the breakdown of the Group's sales of sugar to traders and industrial users.

	% of Total Sugar Sold			
	CY 2021-22	CY 2022-23	CY 2023-24	CY 2024-25
Traders	100.0%	99.39%	100.0%	100.0%
Industrial users	0%	0.61%	0%	0%

Sales and Distribution

For Crop Yr 2024-25, the Group's revenues from sugar operations amounted to **₱4,133.1** million compared to **₱4,300.2** million in Crop Yr 2023-24. The following table sets out the Group's sales of sugar by destination as a percentage of total sales.

	CY 2021-22	CY 2022-23	CY 2023-24	CY 2024-25
Mindanao	50%	50%	50%	21%
Luzon	17%	17%	17%	6%
Visayas	33%	33%	33%	63%
Export Sales (primarily to U.S.)	0%	0%	0%	0%

Sugar segment sells the majority of its production in the wholesale market to traders. To mitigate the risk of non-payment, sugar segment generally dispatches orders only after it receives payment although it extends credit in limited circumstances to large customers whom it believes have a strong credit record. Credit terms generally do not exceed 90 days. Increasingly, sugar segment does not have written contractual agreements with its traders, and they do not sell its sugar exclusively. Customers typically obtain delivery of the sugar at the mills and are responsible for transport, packaging and handling. In addition, Sugar segment has an internal sales team to sell and market its sugar. Sugar segment also sells its sugar to industrial buyers. Sugar segment aims to increase its industrial customer base and expand sales in the Luzon region and other areas of the country outside its core market in Southern Mindanao.

Raw Material

Sugarcane is the principal raw material used in the production of sugar. The climate and topography of the southern Philippine regions of the Visayas and Mindanao are ideal for growing sugarcane. According to Sugar Regulatory Administration (SRA) Philippines Sugar Statistics CY 24-25 Mindanao accounted for 26.0% of the Philippines' sugarcane production.

Sugarcane is delivered by farmers to DSCC and CSCC for milling and, in return, the farmers receive a portion of the sugar produced. As a result, DSCC and CSCC do not record any costs for the sugarcane. The Group sources approximately 98% of its sugarcane from approximately 6,000 planters within proximity to the DSCC and CSCC factories, and the remainder is supplied by PSHC's corporate farm, HYSFC.

Sugar segment generally enters into milling contracts with its contract farmer for terms of 15 years. Under a typical milling contract the farmer agrees to deliver all sugarcane grown on a specified area of land to the mills during the milling season, and is obligated to deliver a minimum volume of sugarcane or cultivate sugarcane on a minimum area of land. The time of delivery is based on a delivery program which is determined on the basis of the age of the sugarcane crops. Typically, the farmer receives approximately 62.0% of the raw sugar and molasses from the raw sugar produced by the mill, with the remainder being retained by the mill. The mills issue a receipt, or quedan, to each farmer that specifies the amount of sugar or molasses that is due to the farmer. Upon presentation of the receipt, the farmer can withdraw the sugar or molasses from the warehouses at the mill. On average, about 80% of the planters share is being bought by CSCC and DSCC. Each of mills manage their sugarcane farmers through a designated cane supply office which has crop advisors and management programs in place to train, manage and support farmers with technical advice for best farming practices. In addition to farmer training and seminars, the cane

supply office provides financial assistance programs, including subsidies and loans for crops, cane points, fertilizer and tractors.

Insurance

Sugar segment maintains insurance covers for all its inventory of sugar, packing material, consumables, buildings, machineries and equipment in all its mills and facilities, against fire, lightning, earthquakes, storms, floods and allied perils.

Sugar group does not anticipate having any difficulties in renewing any of its insurance policies and believes that its insurance coverage is consistent with industry standards in the Philippines.

C. Competition

According to the SRA Production Bulletin dated August 31, 2025, there were 25 operating sugar mills in the Philippines with an aggregate raw sugar production of 2.085 million MT. These mills are located in the Luzon, Visayas and Mindanao regions. There are 4 sugar mills in Mindanao, including DSCC and CSCC.

The following table below sets out the quantity of sugar produced by PSHC compared to its main competitors in Mindanao in CY 2024-25.

	Sugar production ('000 MT)
PSHC	112
Bukidnon Sugar Central	233
Crystal Sugar Central	196
Total	541

Source: SRA Production Bulletin dated August 31, 2025

Raw sugar average prices in the Philippines during CY 2024-25 were higher than in CY 2023-24 from 2,578 per bag to 2,679.

D. Government Regulations and Environmental Laws

Environment

The sugar production process generates waste such as soot and dust, water and solid materials as well as noise at various stages of the production process. The Group aims to develop its business without compromising environmental protection. The primary waste produced in Group's sugar segment's production facilities is bagasse, which is fed to a boiler as fuel to produce steam which is then used to generate power necessary for the sugar production process. In addition, water treatment and scrubber systems are installed in PSHC's production facilities to control wastewater discharge and clean waste gases that are emitted during the production process. PSHC has obtained all environmental licenses from the relevant authorities in the Philippines that are necessary to conduct its business. The environmental licenses obtained by PSHC are annually renewed. As of this date, PSHC has not been subject to any material fines or legal action involving non-compliance with any relevant environmental laws and regulations in the Philippines.

Sugar Regulatory Administration

In 1986, EO 18 dated May 28, 1986 created the SRA. The SRA has the following powers and functions: (i) to recommend the establishment of a sugar production, coefficient and production quota which is attached the land for each planter; (ii) to institute regulations for implementing, controlling and monitoring the production quotas; (iii) to establish domestic, export and reserve allocations; (iv) to explore and expand the domestic market and foreign markets for sugar and its by-products; (v) to assure mutual benefits to consumers and producers, to promote and maintain proper balance of production of sugar and its by-products; (vi) to institute, implement and regulate an orderly system of Quedanning, disposition and withdrawals of various forms of sugar from warehouses; (vii) to evaluate and recommend to the President new projects involving the production of sugar and its by-products and other products derived from sugarcane and sugar; (viii) to issue permits and licenses and collect corresponding fees and levies on the

processing and manufacture of sugar and its by-products and other products derived from sugarcane and sugar; (ix) to enter, make and execute routine contracts that may be necessary for, or incidental to, the attainment of its purposes between any persons, firm, public or private, and the Government; and (x) to do all such other things, transact such other businesses and perform such functions directly or indirectly necessary incidental or conducive to the attainment of the purposes of the SRA.

All corporate powers of the SRA are vested in, and exercised by, the Sugar Board, which has the power, among others: (i) to establish policies pertaining to sugar and sugarcane production control and Quedanning of sugar produced; withdrawals from sugar warehouses; issuance of permits and licenses in the processing and manufacture of raw sugar, refined and other classes of sugar; issuance of permits and licenses and other related issues pertaining to the specific and general powers prescribed in EO 18; and (ii) to enter into contracts, transactions, or undertakings of whatever nature which are necessary or incidental to its functions and objectives.

Under EO 338 dated January 10, 2001, the SRA became an attached agency of the DA. Under Memorandum Order No. 134 dated February 9, 2004, the Philippine Department of Finance and its attached bureaus, particularly, the Philippine Bureau of Customs (BOC) and the BIR, were mandated to consult and coordinate with the SRA in the determination of the appropriate classification of sugar products for certain purposes including, but not limited to, imposing the proper import duties, and/or assessing value added or other taxes thereon. The BOC is required to notify the SRA in case of any importation, exportation or withdrawal from customs bonded warehouses, of sugar, and all forms thereof, prior to their release and allow the SRA to inspect the shipment or warehouse to verify compliance with its rules and regulations. The entry to and exit from special economic zones of sugar products is also covered by Memorandum Order No. 134.

Sugar, molasses, and muscovado traders and processors of sugar-based products for export are required to register with the SRA pursuant to SRA Order No. 006 dated June 24, 2005. Moreover, importers and exporters are required to secure a clearance from the SRA for the export of sugar and molasses and the importation of refined sugar, raw sugar and molasses.

The SRA periodically issues a list of sugar traders registered with the SRA for a particular crop year and only persons and entities duly registered with the SRA as sugar traders are authorized to withdraw sugar for export and domestic use from the warehouses of mill companies and sugar refineries in accordance with the existing rules and regulations promulgated by the SRA. Sugar producers are allowed to withdraw their respective shares of their own sugar production from mill and refinery warehouses for domestic consumption in the Philippines only.

The SRA also issues a listing of registered molasses and muscovado traders with the SRA for a particular crop year and only persons and entities duly registered with the SRA as molasses traders are authorized to withdraw molasses for export and domestic use from the storage tanks of mill companies and sugar refineries in accordance with the existing rules and regulations promulgated by the SRA. Sugar producers are allowed to withdraw their respective shares of their own molasses production from mill and refinery warehouses for domestic consumption in the Philippines only.

1.4.6 Other Operations

This involves other operations of FDC including FDCI, FBSC, SPI, DPI, PPMI, FDEV, FISVI, PROMEI, and LIPAD.

FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds.

FBSC is engaged in providing its services and business solutions and computer and information technology services including, but not limited to, general consulting, improvement systems planning, network integration, business re-engineering services, systems integration and system development. In 2025, FBSC

expanded its scope in providing administrative support services including finance and human resource functions for the Group.

SPI was incorporated to provide technical, management, business process and consultancy services.

DPI was incorporated in 2017 to provide general construction business and project construction management.

PPMI is engaged in the business of administration, maintenance and management of real estate-controlled development projects and subdivision projects.

FDEV was incorporated in 2020 to engage in providing information technology solutions. On July 24, 2024, the Board of Directors of FDEV approved the proposal to wind down FDEV's business operations. On the same date, the BOD and stockholders unanimously approved the amendment of the Company's AOI to shorten its corporate term to December 31, 2025. As of February 13, 2026, the change is still pending approval with the SEC.

FISVI was incorporated in 2024 primarily to invest in, acquire, lease, or otherwise dispose of real and personal properties and other securities in the business of infrastructure-related projects. As of December 31, 2025, the Company has not started its commercial operations.

In July 2019, following the execution of a joint venture agreement between FDC and Engie in June 2019, PROMEI was incorporated to operate, maintain and repair existing and future technical systems, including but not limited to heating, ventilation and air conditioning systems district cooling systems and distributed energy systems, and implement new technologies in connection with saving energy and reducing operating costs. PROMEI is 47.5% owned by FDC and 52.5% owned by Engie. PROMEI started its commercial operations in August 2020. Going forward, it is expected that PROMEI will act as the operation and maintenance service arm for any future joint ventures between FDC and Engie.

Clark International Airport

In December 2018, the NLAC, comprising FDC, JGSHI, PAGSSI. and CAP (wholly owned by Changi Airports International), was awarded a contract for the operation and maintenance of CIA's existing passenger terminal and the development, fit-out, operation and maintenance of a new modern terminal building, including the related commercial assets and project facilities.

The new terminal has an estimated annual capacity of 8 million passengers. In January 2019, the consortium had signed an operation and maintenance concession agreement with the Bases Conversion and Development Authority for the operation and maintenance of CIA for a period of 25 years from the handover of the new terminal.

Following the execution of the concession agreement, the consortium incorporated the Luzon International Premiere Airport Development (LIPAD) Corporation in February 2019 to act as the consortium's joint venture entity. FDC's ownership interest in LIPAD Corporation is 42.5%.

The consortium took over the operation and maintenance of the existing terminal in August 2019. The ceremonial handover of the new terminal to the consortium took place in January 2021. On May 2, 2022, the new terminal building of Clark International Airport formally started operations, transferring both domestic and international flights to the new facility.

1.5 Employees and Labor

As of December 31, 2025, FDC Group's 14,061 employees categorized by function are as follows:

Real Estate		Power	
Operations	272	Operations	2
Administrative and Support	1,213	Administrative and Support	93
Technical	168	Technical	238
Marketing	319	Marketing	23
	1,972		356
Hospitality		Sugar	
Operations	705	Operations	0
Administrative and Support	274	Administrative and Support	164
Technical	196	Technical	262
Marketing	122	Marketing	0
	1,297		426
Banking and Financial Services		Others	
Operations	5,904	Operations	0
Administrative and Support	376	Administrative and Support	637
Technical	1,511	Technical	706
Marketing	875	Marketing	1
	8,666		1,344
		TOTAL	14,061

The Group provides managers, supervisors and general staff the opportunity to participate in both in-house and external training and development programs which are designed to help increase efficiency and to prepare employees for future assignments. The Group has also provided a mechanism through which managers and staff are given feedback on their job performance, which the Group believes will help to ensure continuous development of its employees' knowledge base. The Group also offers employee benefits and salary packages that it believes are in line with industry standards in the Philippines and which are designed to help it compete in the marketplace for quality employees. It is The Group's goal to position itself as an employer of choice in the Philippines.

1.6 Major Risks, Risk Management, Strengths and Strategies

The growth and success of the Group depends on its ability to understand and respond to the challenges of an uncertain and changing world. This uncertainty generates risk which is among the critical issues that should be undertaken in ensuring the best performance in the organization. By understanding and managing risk, the Group provides greater certainty and confidence for all the stakeholders.

RISKS RELATING TO THE GROUP'S BUSINESSES

The Group operates in competitive industries, which could limit the Group's ability to maintain or increase its market share and maintain profitability.

The Group operates within industries that are inherently competitive and cyclical, where overall market demand is influenced by broader economic conditions. Some competitors may have substantially greater financial and other resources, which may allow them to undertake more aggressive marketing and to react more quickly and effectively to changes in the markets. The entry of new competitors into any of the Group's business segments could reduce the Group's sales and profit margins.

To mitigate the impact of competitive pressures and economic cyclicality, the Group adopts a disciplined and diversified approach to growth, capital allocation, and operations. The Group continues to build products and offer services that appeal to its core market at the most competitive prices. The Group also maintains a diversified portfolio to support stable cash flows across economic cycles. At the same time, it places emphasis on cost discipline and operational efficiency to help protect margins during periods of economic pressure.

The Group's businesses are highly regulated and Government policies and regulations could adversely affect the Group's operations and profitability.

Each of the Group's business operations are subject to a broad range of government laws and regulations, fiscal policies and zoning ordinances. The Group has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations, fiscal policies and zoning ordinances. Further changes to the applicable governmental laws and regulations, fiscal policies and zoning ordinances may result in additional costs of compliance for the Group. Moreover, any failure to accurately address policy outcomes and its impact to the Group's operations may have adverse effects on the Group's operations and financial condition.

The Group actively monitors government regulations and any changes or updates therewith to ensure compliance at all times and to anticipate its effects on operations.

The Group's businesses are subject to environmental regulations that could have a material adverse effect on its business, financial condition and results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the DENR. For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an ECC to signify the full responsibility of the proponent in implementing specified measures which are necessary to comply with existing environmental regulations or to operate within best environmental practices that are not currently covered by existing laws. There can be no assurance that current or future environmental laws and regulations applicable to the Real Estate Companies and the Group's hospitality businesses will not increase the costs of conducting their businesses above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC condition occurs or if environmental hazards on land where the Real Estate Companies' projects or the Group's hospitality projects and businesses are located cause damage or injury to buyers or any third party, the Real Estate Companies or the Group, as the case may be, may be required to pay a fine, and to incur costs in order to cure the violation and to compensate their buyers and any affected third parties. The Group cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Group's real estate development or hospitality businesses could have a material adverse effect on the Group's business, financial condition and results of operations.

The Sugar Subsidiaries are subject to Philippine laws and regulations concerning the discharge of effluent water, airborne emissions, such as that resulting from the burning of bagasse, and solid particulate matter during the manufacturing process. The Sugar Subsidiaries are required to obtain certain clearances and authorizations from government authorities for the collection, treatment, storage and disposal of hazardous waste. The Government may take steps towards the adoption of more stringent environmental regulations and there can be no assurance that the Sugar Subsidiaries will not be the subject of an investigation or will be in full compliance with these regulatory requirements. These regulations may require the Sugar Subsidiaries to purchase and install expensive pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment, and any violation of these regulations may result in substantial fines, criminal sanctions, revocations of operating permits and/or shutdown of the Sugar Subsidiaries' facilities. Due to the possibility of unanticipated regulatory or other

developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, the Sugar Subsidiaries may need to incur substantial capital expenditures to comply with such new regulations. The costs of complying with current and future environmental laws and the Sugar Subsidiaries' liabilities arising from the release of hazardous substances may materially and adversely affect the Group's business, results of operations and financial condition.

The Group's power business is also covered by the Philippine Environmental Impact Statement System and projects that are considered environmentally critical may need to submit an environmental impact study to secure an ECC. Power plant projects are also subject to laws and regulations concerning the discharge of effluent water, drilling of wells, airborne emissions, such as that resulting from the burning of coal and fuel oil. The Group must ensure that all of its power plant facilities are compliant with the regulations imposed by the DENR as well as the LGU of the area in which its facilities are situated. The Group has incurred and expects to continue to incur operating costs to comply with such laws and regulations. The Group may also be required to incur costs to remedy for damages caused by any non-compliance with its ECC conditions or other environmental regulations. Furthermore, safety, health and environmental laws and regulations in the Philippines have become increasingly stringent and there can be no assurance that these laws and regulations will not become significantly more stringent in the future. The adoption of new safety, health and environmental laws or regulations, new interpretation of existing laws, increased governmental enforcement or other similar developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order for the Group to be compliant with all applicable regulations. If the Group fails to meet all safety, health and environmental requirements, it may be subject to administrative, civil or criminal proceedings by governmental authorities, which could result in substantial fines and penalties imposed against the Group. The costs of complying with current and future safety, health and environmental laws and the Group's power business' potential liabilities arising from non-compliance could materially and adversely affect the Group's business, financial condition and results of operations.

The Group strives to ensure compliance with environmental regulations by continuously monitoring all its properties by maintaining a comprehensive inventory of all applicable permits, licenses, certifications, and regulatory obligations, including Environmental Compliance Certificates (ECCs), discharge permits, emissions clearances, hazardous waste registrations, and other DENR and LGU requirements. Each project and facility is mapped against its specific regulatory obligations, with clear documentation of conditions, validity periods, renewal timelines, and responsible owners. This enables full visibility over compliance status across the portfolio and ensures that no critical requirement is overlooked. The Group also actively monitors changes and developments in applicable regulatory requirements and assesses their potential impact on its operations to ensure continued and timely compliance.

The Group relies heavily on automated systems to operate its businesses and the failure to maintain, upgrade and secure these systems could harm the Group's businesses.

The Group depends on a variety of automated systems to operate its businesses, which are vulnerable to malfunction, damage, theft, outage, natural disasters, computer virus and human error. Any disruption caused by these factors may result in delays, interruptions and errors in conducting the Group's core business operations, loss of revenue, breach of personal and financial data, regulatory fines and penalties, and decreased consumer confidence.

Similarly, the Group has implemented various IT-related improvements programs and installed new systems over the years. However, due to the continuously evolving nature of information technology systems, these programs and systems may be relatively outdated and less integrated its peers. As a result, there can be no assurance that the Group's information systems will achieve their intended benefits within the anticipated time frame efficiently, or at all, before such will be rendered outdated due to rapid technological advancements.

Furthermore, the Group relies on information systems that are developed and maintained by third parties. Any failure by these providers to meet the Group's operational requirements or service standards could disrupt certain business operations. In some instances, the Group has developed, and continues to develop, in-house automated systems to replace third-party systems currently or previously used. However, there can be no assurance that the Group's internal teams will be able to successfully design, implement, and maintain systems that effectively replace such third-party solutions. In these circumstances, the Group generally has limited or no recourse to third-party providers should the internally developed systems fail to perform as intended. Any of these events could adversely affect the Group's business, financial condition, and results of operations

The Group's automated systems also involve the transmission of confidential information, including the personal banking information of EW's customers, over public networks. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments could result in compromises or breaches of the applicable security systems and personal data stored in these systems. Anyone who circumvents the security measures on these systems could misappropriate the Group's confidential information or cause interruptions in its services or operations. The internet is a public network and data is sent over this network from many sources. In the past, computer viruses or software programs that disable or impair computers have been distributed and have rapidly spread over the internet. Computer viruses could be introduced into the Group's systems, or those of the third-party systems, which could disrupt the Group's operations or make its systems inaccessible to the third parties. The Group may be required to expend significant capital and other resources to protect against the threat of security breaches or to alleviate problems caused by breaches. The Group's security measures may be inadequate to prevent security breaches, and its business operations would be negatively impacted if security breaches are not prevented.

The Group implements information technology and security protocols to ensure that its systems are protected and functioning at all times. The Group aims to maintain a resilient, secure, and scalable technology environment through the implementation of robust IT governance, regular system maintenance and upgrades, cybersecurity controls aligned with industry standards, and continuous monitoring of threats and vulnerabilities.

The Group may not be able to successfully manage its growth.

The Group has acquired various new and diversified commercial assets in recent years, and the Group intends to continue to pursue an aggressive growth strategy for each of its business segments. There can be no assurance that, in the course of implementing its growth and diversification strategy, the Group will not experience capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate expanded businesses. Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that may not be recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Group's reputation and on its business, financial condition and results of operations.

The Group continuously ventures into new growth areas for further value creation. The Group has already made inroads into the infrastructure industry with its participation in two (2) separate consortiums for large-scale development of key infrastructure projects aimed at increasing economic growth, tourism and consumer demand in the country. The Group does not have track record in these businesses. There is no assurance that any of these new ventures will be successful, or that the Group will not incur significant cost or allocate significant resources.

The Group may be unable to continue to exploit opportunities to acquire or invest in new businesses and diversify its operations.

As part of the Group's business strategy, it intends to selectively explore acquisitions of, and investment opportunities in, companies and assets that include infrastructure, hospitality, utilities and banks that may enhance its revenue growth, operations and profitability. From time to time, the Group may publicly

announce potential investments and acquisitions under consideration. If general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, the Group may need to delay, modify or forego some aspects of its growth strategies, and its future growth prospects could be adversely affected.

The Group's ability to grow successfully and profitably through acquisitions will depend on numerous factors, including the availability of suitable acquisition or investment targets, competition for those acquisitions, particularly from those companies with larger and more geographically diverse operations and greater financial resources than the Group, the ability of the companies the Group acquires to perform operationally or financially in the manner expected, the Group's ability to successfully integrate and operate its acquisitions, the availability of expertise and financial resources to successfully manage such acquisitions on a regional scale, the availability of financing from internal or external sources for the Group to complete those acquisitions and the legal, regulatory, social, political and economic factors which prevail in the markets where those opportunities may exist.

To the extent the Group acquires or invests in areas that are outside of the Group's existing lines of business, the Group will face challenges, including with respect to the Group's ability to develop the expertise required to successfully engage in the businesses it acquires or invests in and to make such businesses successful, the Group's ability to develop a reputation in industries into which it might expand, the Group's ability to attract and retain customers, suppliers and managers for new businesses; and competition from companies engaged in similar businesses in the markets that the Group has targeted for entry which is dependent, in part, upon the number, size, operating history, expertise, reputation and financial resources of those competitors. Furthermore, to the extent such investments are undertaken as joint ventures, there can be no assurance that the Group's public and private partners will meet their joint venture obligations in a timely manner or at all.

In addition, the Group may spend considerable management time and cost in evaluating potential acquisition targets or investments which may divert management attention from the Group's current businesses. As a result of any of these factors, the Group may be unable to grow its existing or new businesses in the manner it expects and may lose all or a substantial portion of its investments in new businesses, which could have a material adverse effect on the Group's existing business, financial condition and results of operations. The Group's future acquisitions and investments, if any, may require it to use significant amounts of cash and incur substantial amounts of indebtedness, each of which could adversely affect the Group's business, financial condition and results of operations. To minimize this risk, the company regularly assesses market conditions and formulates plans as well as alternatives if market conditions change. This allows the company to be flexible and agile.

The Group may face challenges expanding and optimizing its newer businesses.

In recent years, the Group has expanded its core historical businesses of real estate, banking and sugar, primarily through its re-entry into the power business and its active participation in infrastructure projects. While the Group believes it has clearly shown that it has the expertise and resources to develop these relatively newer businesses and optimize existing operations, there can be no assurance that these efforts will result in the desired results.

FDCUI continues to pursue potential power projects, including privatization projects of the Government. The Group may incur substantial expenditures to bid for, acquire and develop these projects, and the expenditures the Group incurs to develop these projects may exceed its revenue from these businesses. Any of the above could constrain the Group's existing resources, liquidity and reputation.

The Group, through FDC, has ventured into the infrastructure sector as part the North Luzon Airport Consortium, which was established to upgrade, expand and operate the Clark International Airport (CIA). In addition, the Group has also submitted an unsolicited proposal for the development, expansion, and operation of the Bicol, Davao, and Siargao airports. There can be no assurance that the consortiums will be successful in their development, expansion or operation and maintenance of the airports. Any failure of the

consortiums to perform their obligations under the contracts, including as a result of a dispute between any of the members of the consortiums, could cause the contracts to be breached or terminated, which could adversely affect the performance of FDC's business, financial condition and results of operations. The Group may incur substantial expenditure in connection with the operation and maintenance and/or expansion of the airports and other projects, and there is no assurance that the Group's foray into these new lines of business will be successful.

The Group has a joint venture with BCDA for 288 hectares of New Clark City. The first phase of this venture comprised an industrial zone for logistics, tech and light industrial companies. Although the Group has some experience in operating logistics parks through its ongoing development of Ciudad de Calamba, there is no assurance that the Group's expansion of this line of business will be successful. Moreover, this venture will require the Group to manage additional relationships with third parties such as potential industrial lessees, suppliers and contractors. If the Group is unable to secure such third-party contracts or otherwise incur significant delays or default in its development and construction obligations, business operations and the expected benefits to be derived from this venture may be materially and adversely affected.

The development of new projects by the Group is subject to substantial risks which could give rise to delays, cost overruns, unsatisfactory construction or development or the total or partial loss of the Group's interest in the project under development, construction or expansion. Such risks to development include:

- the need to incur significant expenses to develop new projects, particularly preliminary feasibility studies, engineering, permits and legal and other expenses before determining whether a project is feasible, economically attractive or capable of being financed;
- expenses during due diligence activities needed during bidding as well as acquisition of existing assets;
- shortages and insufficient quality of equipment, material and labor and the breakdown or failure of equipment or processes;
- opposition from local communities and special-interest groups;
- social unrest and terrorism;
- engineering and environmental problems;
- construction and operational delays, or unanticipated cost overruns;
- failure by key contractors and vendors to timely and properly perform; and
- adverse environmental and geological conditions (including inclement weather conditions).

The businesses in which the Group currently operates and may in the future operate are capital-intensive. Failure to obtain financing or the inability to obtain financing on reasonable terms could affect the execution of the Group's operations and growth plans.

The businesses in which the Group currently operates and may in the future operate are capital-intensive. The real estate, hospitality and power businesses require significant capital expenditures to develop and implement new projects and complete existing projects. The Group has allocated capital expenditures for 2026, realigning its strategies to strengthen its competitive advantage, especially renewable energy and water projects, completion of real estate and hospitality projects, and digital transformation initiatives on its banking systems and operations.

Historically, while the Group has funded a significant portion of its capital expenditure requirements internally from its operations, it has periodically utilized external sources of financing. However, there can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Group will be able to continue funding its capital expenditure requirements internally, or that it will be able to externally obtain sufficient funds for its capital expenditure budgets, at acceptable rates or at all. The Group's ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws. The Group's continued access to debt financing as a source of funding for new projects and acquisitions and for

refinancing maturing debt is subject to many factors, many of which are outside of the Group's control. For example, political instability, an economic downturn, social unrest, changes in the Philippine regulatory environment or the bankruptcy of an unrelated company within a similar industry or industries in which the Group operates could increase the Group's cost of borrowing or restrict the Group's ability to obtain debt financing or comply with its debt financing covenants. In addition, disruptions in the capital and credit markets, which occurred in the past, may recur and such disruptions could adversely affect the Group's access to financing. The Group cannot guarantee that it will be able to arrange financing on acceptable terms, or at all. The inability of the Group to obtain financing from banks and other financial institutions or on acceptable terms would adversely affect its ability to operate or execute its growth strategies.

To manage these risks, the Group maintains a diversified range of financing options and closely monitors its compliance with applicable debt covenants. The Group also retains flexibility in its capital expenditure and investment plans, allowing it to adjust the timing, scale, or scope of projects as necessary to ensure liquidity and adequate financial resources to support ongoing operations and strategic initiatives.

The interests of the Group's joint venture partners may differ from those of the Group and such partners may take actions that adversely affect the Group or its subsidiaries.

A joint venture involves special risks where the venture partner may have economic or business interests or goals that are inconsistent with or different from those of the Group. The joint venture partner may also take actions contrary to the Group's instructions or requests, or in direct opposition to the Group's policies or objectives with respect to the underlying business or dispute the distribution of its joint venture share. The joint venture partner may also fail to perform its obligations under the joint venture arrangement. Disputes between the Group and its joint venture partners could arise after significant capital investments in a project have been made, which could result in the loss of some or all of the Group's investment in that project. The Group's reliance on its joint venture arrangements could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

Several of the Group's subsidiaries have entered into joint venture agreements with unaffiliated third parties as part of the Group's diversification strategy. The Group has current joint venture arrangements or partnerships with several government units through FLI for the following: (i) 40- hectare joint venture project with Cebu City Government in SRP; (ii) 4.1-hectare BTO arrangement with Cebu Provincial Government for seven (7) office tower buildings and commercial centers in Lahug and Apas, Cebu; (iii) land lease agreement with Clark Development Corporation involving the 200-hectare Mimosa Plus estate in Clark Pampanga; and (iv) joint development partnership with BCDA on 288-hectare New Clark City in Tarlac. FDCUI and EW, the Group's energy and banking subsidiaries, respectively, have also entered into joint ventures in relation to their respective business activities.

Although these are covered by contracts and agreements, with some joint ventures authorized by government, there might be circumstances in the future that such agreements may be subjected to review and audit which may affect the Group's ability to deliver on its obligations to its clients, and might hamper the operations of the company as a whole, to generate the revenues from the projects. The joint venture may also fail to fulfil its obligation under the joint venture agreement, while the joint venture partner may also take actions contrary to the Group's policies, objectives and strategies, resulting in disputes arising after significant capital investments have been made which could result to loss of some or all of the Group's investment in the project.

To mitigate these risks, the Group's management maintains good relationships with its joint venture partners and regularly engages to discuss and address matters relating to financial performance, governance, business outlook, and strategic direction. Through active and continuous engagement, the Group seeks to monitor developments, align objectives, identify potential issues at an early stage, and promote adherence to agreed management strategies and contractual obligations.

FDC is controlled by the Gotianun Family and their interests may differ significantly from the interests of other shareholders.

FDC is controlled by members of the Gotianun Family, who either individually or collectively have controlled FDC and its subsidiaries since the inception of FDC. As of December 31, 2025, members of the Gotianun Family were the beneficial and record owner of approximately 89.22% of the Company's issued and outstanding shares. Members of the Gotianun Family also serve as directors and executive officers in FDC and other companies forming part of FDC and its subsidiaries, including but not limited to, FAI, FLI, PSHC, EW, FHC and FDCUI and these family members may not be able to devote sufficient time and effort to the management of FDC. There is also no non-compete agreement or other formal arrangement in place to prevent other companies that are also controlled by the Gotianun Family from engaging in activities that compete directly with the Group's businesses or activities, which could have a negative impact on the Group. Neither can there be any assurance that the Gotianun Family will not take advantage of business opportunities that may otherwise be attractive to the Group. The interests of the Gotianun Family, as the Group's controlling shareholder, may therefore differ significantly from or compete with the Group's interests or the interests of other shareholders, and the Gotianun Family may vote their Shares in a manner that is contrary to the interests of the Group or the Group's other shareholders. There can be no assurance that the Gotianun Family will exercise influence over the Group in a manner that is in the best interests of the Group or its other shareholders.

Certain directors and members of senior management may retire, resign or be reassigned.

The Company's directors and members of its senior management have been an integral part of the Group's success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart or take on reduced responsibilities could be difficult to replace and may result in a decrease in the Group's operating efficiency and financial performance. Members of the Gotianun Family also fill certain key executive positions and the Group may not be successful in attracting and retaining executive talent to replace these family members should they depart or take on reduced responsibilities. Such executives include: Jonathan T. Gotianun, Chairman; Josephine Gotianun-Yap, Vice Chairman; and Michael Edward T. Gotianun, Vice President and Director, Francis C. Gotianun, First Senior Vice President and Director. Lourdes Josephine Gotianun-Yap was previously the CEO of FDC and FLI and has since transitioned this role to Rhoda Huang as CEO for FDC and to Tristan Las Marias for FLI. Only Francis Nathaniel C. Gotianun and Isabelle Therese G. Yap, both directors, concurrently have executive roles in the Group such as in Hospitality and in EastWest Banking Corporation, respectively.

While the Group has an active program for succession planning, which includes continued participation of retiring executives on key committees, if any such person departs or takes on reduced responsibilities or is otherwise unavailable to the Group is unable to fill any vacant key executive or management positions or responsibilities with qualified candidates, its business, financial condition and results of operations may be adversely affected. The Group does not carry insurance in respect of the loss of the services of any of the members of its management.

The Group may be unable to attract and retain skilled professionals.

The Group believes there is significant demand for its skilled professionals not only from its competitors in the Philippines but also from companies outside of the Philippines, particularly companies operating in Asia and the Middle East. The Group's ability to retain and attract highly skilled personnel, particularly architects, engineers, bank managers, hotel managers, hospitality professionals, and project and operation managers, will affect its ability to plan, design and execute current and future projects. In particular, any inability on the part of the Group to hire and, just as importantly, to retain qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require FDC to incur additional costs by having to engage third parties to perform these activities. The Group has put in place succession planning in the event of difficulty in hiring professionals. The Group has also established a number of methods for recruiting professionals.

Ownership over certain land owned by the Group may only be evidenced by tax declarations or may be contested by third parties.

The Philippines has adopted the Torrens system of land registration, which is intended to conclusively confirm land ownership by providing a state guarantee of indefeasible title to those in the register, and which is binding on all persons (including the Government). However, in certain instances and for various reasons such as inadequate record keeping or delays in the processing of certificates of title, it is not uncommon for landowners such as the Real Estate Companies to have their ownership evidenced only by tax declarations, and not the more common certificates of title. Although the Real Estate Companies may have conducted the requisite due diligence on their properties and are confident of their ownership over such properties, there can be no assurance that other parties will not assert their own claims of ownership and present similar or stronger documents of title over such properties.

Moreover, it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. There have been cases where third parties have produced false or forged title certificates over land and there are difficulties in obtaining title guarantees with respect to properties in the Philippines. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities in title, such as non-execution or non-registration of conveyance deeds, and may be subject to encumbrances of which the Group, its subsidiaries and their respective joint venture partners may not be aware. The difficulty of obtaining title guarantees in the Philippines means that title records provide only for presumptive rather than guaranteed title. As each transfer in a chain of title may be subject to a variety of defects, the title and development rights of the Group, its subsidiaries and their respective joint ventures may be subject to various defects of which they are not aware. For these and other reasons, title insurance is not readily available in the Philippines. Title defects may result in the loss by the Group or its subsidiaries or their respective joint ventures of the title over land.

From time to time the Real Estate Companies in particular have had to and may continue to have to defend themselves against third parties who claim to be the rightful owners of land which has been the subject of tax declarations in the name of the Real Estate Companies, titled in the name of the persons selling the land to the Real Estate Companies or which has already been titled in the name of the Real Estate Companies. Although historically these claims have not had a material adverse effect on the Real Estate Companies, in the event a greater number of similar third-party claims are brought against the Real Estate Companies or the Group in the future or any such claims involves land that is material to the residential and land development projects of the Group or its subsidiaries, the management of the Group or relevant subsidiary may be required to devote significant time and incur significant costs in defending itself against such claims. In addition, if any such claims are successful, the Group may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of its land development or other business projects. Any of the foregoing circumstances could have a material adverse effect on the Group's business, financial condition and results of operation, as well as on its business reputation. The Group follows strict processes and documentation standard to make sure that land purchase transactions are without issues.

Any future changes in PFRS Accounting Standards may affect the financial reporting of the Group's businesses, particularly with respect to its real estate and banking and financial services businesses.

PFRS Accounting Standards continue to evolve, and certain newly promulgated standards and interpretations taking effect at the beginning of a relevant year may affect the financial reporting of the Group's businesses. Any further changes in PFRS Accounting Standards in the future may affect the financial reporting of the Group's businesses.

To mitigate the risk, the Company continuously monitors developments in accounting standards to anticipate its impact on the Company's financial statement.

FDC has a number of related party transactions with affiliated companies.

The companies controlled by the Gotianun Family have a number of commercial transactions with the Company. These related party transactions, consist mostly of share of the related parties in various common expenses but may include directors, officers, stockholders and related interests (“**DOSRI**”), non-interest bearing cash advances and various charges to and from non-consolidating affiliates for management fees, rent, share of expenses and commission charges. The Company also applies this principle to contracts between different companies within the Group.

The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Gotianun Family. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its shareholders. Conflicts of interest may also arise between the Gotianun Family and the Company in a number of other areas relating to its businesses, including:

- major business combinations involving the Company and its subsidiaries;
- plans to develop the respective businesses of the Company and its subsidiaries; and
- business opportunities that may be attractive to the Gotianun Family and the Company.

The Company can provide no assurance that the Group’s related party transactions will not have a material adverse effect on its business, financial condition and results of operations.

Some of the Group companies are involved in litigation, which could result in financial losses or harm its business.

The Group is subject to lawsuits and legal actions in the ordinary course of its real estate development, power business and other allied activities. Litigation could result in substantial costs to, and a diversion of effort by the Group to significant liabilities to third parties. There can be no assurance that the results of such legal proceedings will not materially harm the Group's business, reputation or standing in the market or that the Group will be able to recover any losses incurred from third parties, regardless of whether any company is at fault. There can be no assurance that losses relating to litigation would not have a material adverse effect on the Group’s business, financial condition and results of operation, or that provisions made for litigation-related losses will be sufficient to cover the Group's ultimate loss or expenditure. The Group continues to monitor all project implementations and contract commitments to ensure compliance with agreements as to minimize the probability of litigations against the Group.

Natural or other catastrophes, including severe weather conditions and earthquakes, may materially disrupt the Group’s operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. Natural catastrophes may disrupt the Group’s business operations and impair the economic conditions in the affected areas, as well as the overall Philippine economy. These factors, which are not within the Group's control, could potentially have significant effects on the Real Estate Companies and their development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, that are susceptible to damage; EW’s loan portfolio due to potential increased credit losses; and the Sugar Subsidiaries’ sugarcane harvests and facilities. Damages resulting from such natural catastrophes could also give rise to claims against the Group from third parties or from customers, for example for physical injury or loss of property in the case of the Real Estate Companies. As a result, the occurrence of natural or other catastrophes or severe weather conditions, may adversely affect the Group's business, financial condition and results of operations. Further, although Group carries insurance for certain catastrophic events, of different types, in varying amounts and with deductibles and exclusions that the Group believes are in line with general industry practices in the Philippines (including business interruption insurance for its sugar, leasing, power and hospitality

operations), there are losses for which the Group cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Group's business, financial condition and results of operations. The Group has planned for these events and have put in place a business continuity plan to ensure continuous operations.

On December 16, 2021, Typhoon Rai (local name Odette) brought torrential rains, violent winds, landslides, and storm surges to various provinces in Visayas and Mindanao. While this did not materially hamper the overall operations of the Group's properties in Cebu, it had a substantial impact on its hospitality segment due to the temporary closure of Crimson Resort and Spa Mactan from December 17, 2022 until August 2023. Although the properties sustained damages, the Group was eligible to receive insurance claims.

In 2022, there were several tropical storms and typhoons that hit the Philippines: Tropical Storm Megi (Agaton) on April 9 to 11, Typhoon Noru (Karding) on September 24 to 26 which meandered through Luzon provinces Laguna, Rizal, Quezon, Cavite, Batangas, Metro Manila, Zambales, Bulacan, Pampanga, Pangasinan, Tarlac, Nueva Ecija, Nueva Vizcaya, Bataan and Aurora, and Severe Tropical Storm Nalgae (Paeng) which dropped intense to torrential rain across Luzon and Visayas on October 28 to 30.

On June 3 to 4, 2023, Typhoon Mawar (Betty) hit Northern Philippines. These did not materially affect the operations of the Group and there were no material damages to the Group's properties.

New regulation and/or taxes may be effected that may impact the competitiveness of coal as a source of baseload energy.

The operation of the baseload plant is regulated by the DOE, ERC and DENR, among others. As the government transitions to clean and renewable energy sources as part of its commitment to international treaties, it may enact laws and/or issue new regulations that will require additional taxes or impose penalties and other mechanisms on carbon emissions to discourage the use of fossil-fueled baseload power plants. While taxes are usually passed through charges, these new laws and/or regulations may amend such provisions such that taxes and penalties will be borne solely by the supplier. These may have an impact on the Group's cashflow as well as the competitiveness in contracting the remaining available capacity.

RISKS RELATING TO THE GROUP'S REAL ESTATE BUSINESS

- The Real Estate Companies' portfolio of residential property development projects exposes the Group to sector-specific risks;
- The Real Estate Companies are exposed to risks associated with the operation of their investment properties and the development of their office space and retail leasing business and the integration of such investment properties with its core housing and land development business;
- Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Real Estate Companies and their customers' ability to obtain financing;
- A significant portion of the demand for the Real Estate Companies' residential real estate projects is from overseas Filipino workers ("OFWs") and expatriate Filipinos, which exposes the Group to risks relating to the performance of the economies of the countries where these potential customers are based;
- The Real Estate Companies face certain risks related to the cancellation of sales involving their residential real estate projects and if the Real Estate Companies were to experience a material number

of sales cancellations, the Group's historical revenues from real estate operations would be overstated;

- The Real Estate Companies face risks relating to the management of their land bank, including area concentration within the land bank, which could adversely affect their margins;
- The Real Estate Companies face risks relating to its real estate projects, including risks relating to project cost, completion time frame and development rights;
- The Real Estate Companies' reputation may be adversely affected if projects are not completed on time or if projects do not meet customers' requirements;
- Independent contractors may not always be available, and once hired by the Real Estate Companies, may not be able to meet quality standards and/or may not complete projects on time and within budget;
- The implementation of tax reforms may have negative impact on the results of operations of the Group and the loss of certain tax exemptions and incentives will increase Real Estate Companies' tax liability and decrease any profits the Companies might have in the future;
- A domestic asset price bubble could adversely affect the Real Estate Companies' business;
- The Real Estate Companies are largely dependent on third-party brokers to sell their residential housing and land development projects and to lease their commercial and office properties;
- Infringement of the Real Estate Companies' intellectual property rights in relation to its real property businesses could have a material adverse effect on the Companies' operations;
- Certain residential real estate customers of the Real Estate Companies rely on financing from Government-mandated funds, which may not always be available;

RISKS RELATING TO THE GROUP'S HOSPITALITY BUSINESS

- The hospitality industry is highly competitive, with increasing supply from both local and international hotel operators, including alternative accommodations.
- The hospitality business experiences seasonal fluctuations and may be affected by unpredictable shifts in travel patterns and consumer behavior.
- Tourism and travel demand are highly sensitive to global and local economic conditions, currency fluctuations, inflation, and geopolitical events, which can adversely affect occupancy and revenue.
- Concentration of investments in a few destinations (e.g., Cebu, Clark, Boracay, Baguio) exposes the business to localized downturns or regulatory changes in those areas.
- Rising costs of labor, utilities, and supplies can erode margins, particularly in upscale properties requiring high service standards.
- Hotel developments are subject to risks of construction delays, cost overruns, or regulatory bottlenecks.
- Changes in tourism policies, local government regulations, or tax incentives may affect project viability or operating costs.
- Difficulty in attracting, training, and retaining skilled hospitality professionals may impact service delivery and overall guest satisfaction.

- Dependence on digital platforms and property management systems exposes the business to risks of cyberattacks, data breaches, and system failures.
- Increasing stakeholder and regulatory focus on Sustainability may require additional investments and adaptations to meet evolving expectations.

RISKS RELATING TO THE GROUP'S BANKING AND FINANCIAL SERVICES BUSINESS

- Increased exposure to consumer debt could result in increased delinquencies in EW's loan portfolios;
- EW has notable exposure to certain sectors in the Philippine economy. Any decline in the performance of any of these industry sectors may result in a substantial portion of these loans to become non-performing, adversely affecting the quality of EW's loan portfolio;
- EW's funding is primarily short-term and if depositors do not roll over deposited funds upon maturity, or if other banks do not lend short-term funds to EW as they have in the past, EW's liquidity and business could be adversely affected;
- EW may be unable to recover the assessed value of its collateral when its borrowers default on their obligations, which may expose EW to significant losses;
- EW is subject to interest rate risk and foreign currency risk;
- EW's provisioning policies in respect of classified loans require significant subjective determinations which may increase variation in the application of such policies;
- EW is involved in many businesses subject to a variety of regulatory regimes and guidelines, and any changes in the relevant regulatory regimes or guidelines may adversely affect EW's businesses, financial condition and results of operations;
- EW is subject to credit, market, and liquidity risks which may adversely affect EW's credit ratings and its cost of funds;
- EW may not be successful in implementing its growth strategies;
- A downgrade in the credit rating of EW could adversely affect their business, financial condition and results of operations;
- EW may face increasing levels of NPLs and EW's allowance for impairment and credit losses may be insufficient to cover future losses. To the extent EW increases such allowances or fails to recover expected amounts from NPLs, its financial performance will be adversely affected;
- EW's trading activities are subject to volatility;
- EW may fail to effectively operate its information technology systems and manage risks associated with such systems, which could adversely affect its business;
- Significant security breaches in EW's computer systems and network infrastructure, fraud, systems failures and calamities could adversely impact its business;
- EW may be subject to intellectual property rights disputes with respect to certain names and marks;
- EW's business, reputation and prospects may be adversely affected if EW is not able to detect and prevent fraud or other misconduct committed by EW's employees or outsiders on a timely basis;

- Losses in EW's subsidiaries' operations may affect the financial standing of EW;
- The Philippine banking industry is highly competitive and increasing competition may result in declining margins in EW's principal businesses
- EW may have to comply with strict regulations and guidelines issued by banking and other regulatory authorities in the Philippines and international bodies;
- EW may experience difficulties due to the implementation of Basel III in the Philippines;
- EW's non-compliance with FATCA may cause material and adverse impact on EW's business, financial condition and results of operations;
- EW's ability to assess, monitor and manage risks inherent in its business is limited by the quality and timeliness of available data;

RISKS RELATING TO THE GROUP'S POWER BUSINESS

- Increased competition in the power industry, including competition resulting from legislative, regulatory and industry restructuring efforts, could have a material adverse effect on FDCUI's operations and financial performance;
- Administration and operation of power generation plants involve significant risks;
- Inability to obtain or the cancellation of required regulatory, permits and approvals; and opposition from local communities and special interest groups.
- FDCUI may experience issues with respect to its fuel costs or supply;
- FDCUI engages technical partners and in-house operators and specialized suppliers in connection with the power generation at its power plant;
- FDCUI is exposed to credit and collection risks.
- FDCUI is exposed to Market risk as its power supply agreements are subject to approval and renewal uncertainties.
- FDCUI may not successfully implement its growth strategy in the power industry.
- FDCUI's growth plans may be limited by the Philippines' transmission infrastructure.
- FDCUI currently only has one operating generation asset.
- FDCUI faces risks relating to its future power generation projects, including risks relating to project cost, completion time frame and development rights.
- Policy and regulatory responses to climate change and transition to low carbon energy may adversely affect FDCUI's business and prospects.
- The loss of certain tax exemptions and incentives will increase FDCUI's tax liability and decrease any profits it might have in the future.

RISKS RELATING TO THE GROUP'S SUGAR BUSINESS

- Farmers are not required to grow sugarcane and may cultivate other crops;
- The Sugar Subsidiaries' business is dependent on certain principal customers who are not under any obligation to purchase the Sugar Subsidiaries' products, and the loss of, or a significant reduction in, purchases by such customers could adversely affect the Sugar Subsidiaries' business;
- Reduced demand for or changes in perception of end-products that use raw or refined sugar;
- Contract farmers may not repay their crop loans to PSHC;
- Adverse weather conditions, crop disease, substandard sugarcane quality and certain sugarcane crop varieties grown by farmers may adversely affect sugarcane crop yields and sugar recovery rates for any given harvest;
- The Sugar Subsidiaries may be adversely affected by price fluctuations in sugar and related markets, such as ethanol, oil and corn;
- The Sugar Subsidiaries are potentially subject to price competition from illegally imported sugar;
- Because the Sugar Subsidiaries' contracts to cultivate sugarcane are based on the amount of land the farmer cultivates rather than a set quantity or quality of sugarcane, the yield per hectare of land determines in large part the quantity of sugarcane the Sugar Subsidiaries receive and the Sugar Subsidiaries cannot guarantee that the supply their mills receive in a given year will be sufficient to meet their needs;
- Because DSCC and CSCC contract with sugarcane farmers to cultivate sugarcane under long term contracts, DSCC and CSCC may be obligated to mill the sugarcane produced even if they will be unable to sell the resulting sugar;
- In the event that existing barriers to the import of sugar to the Philippines are further reduced or lifted, the Sugar Group may face increasing competition from international sugar manufacturers which may adversely affect their profitability;
- The Sugar Subsidiaries' results of operations could be adversely affected by a disruption of operations at their manufacturing facilities;

RISKS RELATING TO THE GROUP'S INFRASTRUCTURE BUSINESS

- The Group's infrastructure business is at a very early stage and continued delay in deriving revenues from its projects or failure to be awarded any infrastructure projects or contracts could impact the growth and diversification strategies in the near- to medium-term.

RISKS RELATING TO THE PHILIPPINES

- Substantially all of the Group's business activities are conducted in the Philippines and all of its assets are located in the Philippines, which exposes the Group to risks associated with the Philippines, including the performance of the Philippine economy;
- Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Group's businesses;
- The Hospitality business will depend substantially on revenues from local travelers and foreign visitors and may be disrupted by events that reduce local or foreign visitors' willingness to travel to or in the Philippines and raise substantial concerns about visitors' personal safety.

- The Group's business may be disrupted by terrorist acts, crime, natural disasters and outbreaks of infectious diseases in the Philippines or fears of such occurrences;
- Political or social instability in the Philippines could destabilize the country and may have a negative effect on the Group;
- The Group's land and real property may be subject to compulsory acquisition or expropriation proceedings undertaken by the Government;
- Corporate governance and accounting and financial disclosure standards for public companies listed in the Philippines may differ from those in other countries;
- Changes in foreign exchange control regulations in the Philippines may limit the Group's access to foreign currency;
- The sovereign credit ratings of the Philippines may adversely affect the Group's business; and
- Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.
- The Group's business and operations may be adversely affected by economic slowdowns or heightened uncertainty in the Philippine economy arising from global geopolitical tensions, including ongoing conflicts in the Middle East and Ukraine, which may contribute to elevated inflation, higher energy and commodity prices, exchange rate volatility, tighter financial conditions, and reduced consumer and investor confidence in the domestic economy.

COMPETITIVE STRENGTHS

The Group believes that its principal strengths are the following:

Strategically Positioned in Attractive Growth Sectors of the Philippine Economy

The Group believes its businesses are well-positioned in high-growth sectors of the Philippine economy which will allow it to take advantage of primary economic and consumption growth drivers such as increased employment, increased labor force participation from a young and growing population, OFW remittances, BPOs, and tourism, among others.

In real estate, the Group entered the affordable housing space in the early 1990s when most developers were still focused on the higher end of the market, allowing the Group to benefit from the growth of OFW remittances and a housing supply shortage. In particular, the Group primarily targets the affordable, socialized and middle-income residential markets, which together are believed by the Group to be the largest addressable markets in residential development in the Philippines. Today, the Group is also known for its township in Alabang called Filinvest City, which is a joint venture formed in 1992 between the government and its subsidiary, FAI, to develop the former livestock farm into a 244-hectare Central Business District (CBD) in southern Metro Manila. Since the Group's entry, land prices in Filinvest City have risen significantly. The Group expects Filinvest City's strategic location to be further enhanced as travel times from the south of Metro Manila to Quezon City and Northern Luzon have been greatly reduced with the development and completion of the road link project connecting the South Luzon Expressway and North Luzon Expressway corridors, as well as the planned Clark to Calamba, Laguna rail development.

In 2016, the Group was one of the first developers to identify Clark, Pampanga as a significant growth area, and was the sole bidder for the Mimosa Leisure Estate (now known as Filinvest Mimosa+ Leisure City) and the New Clark City developments. In the last three years, a range of announced new projects, such as

the expansion of CIA, the declaration of Clark, Pampanga as a new Government center, and the signing of the initial agreements with the Japanese government for the development of a high speed train linking Manila to Clark, have resulted in significant property price increases in the area according to Colliers.

The Group was also one of the pioneers in providing office space catering to the BPO industry, which started in the year 2000 and quickly became a key driver for the Philippines' strong economic growth supported by government incentives.

Complementing its core real estate expertise, the Group's hospitality business, which currently has locations in San Mateo Rizal, Mactan Cebu, Cebu City, Muntinlupa City, Clark Freeport Zone, Pampanga, Boracay and Tagaytay City, is also well positioned to benefit from the recovering Philippine tourism industry.

In banking and financial services, EW entered the consumer financing business in 2004 and has built a top quartile retail banking business with one of the highest percentages of retail loans to total loan portfolio in the industry based on EW's estimates. EW focuses on the high margin consumer lending segments with historically higher returns, and has grown its business through aggressive store expansion, as well as strategic acquisitions and business partnerships in auto loans and credit cards, personal loans and bancassurance. Based on the expected increase in consumer spending in Philippines-based household consumer spending of 5.9% over 2024-2027, according to Fitch Solutions, BMI, the Group expects its retail banking business to continue to grow to meet increased consumer demand.

The Group entered the Mindanao power market in 2009 with the development of the FDC Misamis thermal plant when the region was experiencing a significant shortage in power supply and as a result was able to enter into power supply agreements with 29 distribution utilities across the Visayas and Mindanao. The strategic location of the Group's clean coal power plant in Mindanao, and its other planned projects in its power business in the country positions the Group to benefit from the expected growth in demand for electricity especially in the southern regions of the country. In addition, the Group's sugar business benefits from the industrialization of Luzon, which has increased Mindanao's importance in agribusiness.

The Group has begun development of its infrastructure business through its participation in the consortium that operates Clark International Airport in Pampanga. The North Luzon Airport Consortium comprising FDC, as lead consortium member, JG Summit Holdings Inc., Philippine Airport Ground Support Solutions Inc. and Changi Airport Philippines (I) Pte. Ltd. (wholly owned by Changi Airports International), was awarded an operation and maintenance contract for the CIA and the fit out of the new passenger terminal.

Solid Foundation for Future Growth in Place

The Group believes it has laid the proper foundation for the future growth and monetization of its existing and newer businesses across the Philippines. Its long history of operating successful businesses and making strategic and timely investments has resulted in the necessary scale, experience and capability to efficiently capitalize on business opportunities in sectors of the economy and areas of the country that it expects to drive the Group's continued growth.

With respect to its real estate and hospitality operations, the Group's rollout of development projects have an aggregate potential GFA of approximately 7.6 million sq.m. of residential, office, retail, logistics, industrial and hotel buildings. The Group's strategic investments have resulted in the availability of a sufficient land bank spanning key regions in the Philippines to support the future expansion of the Group's office and retail GLA and construction of additional hotels in the next 5 years, positioning the Group to monetize its growth initiatives.

In banking, EW is actively implementing its medium-term strategy of optimizing the operations and profitability of its expanded store network. With a view to growing its asset base, attracting low-cost deposits and increasing its deposit per store from approximately ₱700.0 million to reach the industry standard of ₱1.1 billion for banks of comparable size, EW continues to focus on deepening and broadening

relationships with, and increasing its revenues generated from, existing customers. The Group believes that the expansion of EW's products lines, including its recent expansion into bancassurance and wealth management, will be integral to its overall customer offering.

In the power business, FDCUI's 405 MW (3 x 135 MW) clean coal power plant has secured power supply agreements for a total of 373 MW. The Group believes that the expected industrial developments in the PHIVIDECE Industrial Estate and surrounding urban centers will increase demand for power in the area. Demand in Mindanao continues to grow at unprecedented levels. FDCUI has also expanded into the retail electricity supply business, allowing it to trade electricity and cater to contestable customers across the Philippines under the expected RCOA regime.

To strengthen and complement its power generation and trading operations, the Group has also entered into strategic partnerships with Engie to develop potential renewable energy solutions in the Philippines that provide energy cost savings to large industrial and commercial customers. The Group believes that the partnership's initial projects with respect to renewable energy and district cooling will position it to take advantage of the global move towards greater sustainability. The Group also signed a joint venture agreement with Japanese company Hitachi Aqua-Tech Engineering Pte. Ltd. (HAQT) to establish Filinvest-Hitachi Omni Waterworks, Inc. (FLOW) to tap into the latest developments in desalination technology to tap the opportunity to offer desalinated water in areas with scarcity of water and/or poor quality of water.

A Diversified Portfolio with a Track Record of Growth and Profitability Able to Weather Economic Cycles

With business interests in the banking and financial services, real estate, power, and sugar industries, the Group has diverse earning streams both across and within its businesses, which helps protect the Group's returns amidst changing industry conditions and economic cycles.

The Group has been able to successfully establish and grow a diverse and profitable business portfolio over its history with revenues reaching ₱107.7 billion in 2025, a 6% increase from 2024; assets reaching ₱872.1 billion as of December 31, 2025; and net income reaching ₱18.9 billion for 2025, a 20% increase from 2024. Over the years, the Group has demonstrated a consistent ability to leverage its success in existing businesses to expand into new industries while maintaining its overall focus of serving the middle-income market of the Philippines.

The Group's portfolio has evolved to a more balanced mix of diverse businesses. From its beginnings in consumer finance and banking in the 70s and early 80s, the Group has since expanded adding Real Estate, Power and Utilities, Sugar, and Hospitality.

EW has been a key contributor to the Group's revenues and earnings in terms of value and growth. The Group believes EW's focus on the fast-expanding retail and consumer lending has allowed it to quickly scale its operations in line with the strong Philippine economic growth of the past decade. EW has established a nationwide presence of 357 stores as of December 31, 2025, compared with 168 stores as of December 31, 2011.

In recent years, the Group has benefited from steady cashflows contributed by its Power business through FDCUI. As at end of 2025, the Power and Utilities segment contributed up to 33% of the Group's attributable income. Its Misamis Power Plant has been a major source of stable cashflows and income especially throughout the pandemic years to record an overall net income of ₱2.8 billion in 2023, ₱4.3 billion in 2024 and ₱4.9 billion in 2025. That income growth was due to increased energy sold from the interconnectivity with the Visayas grid for which it secured additional supply contracts with several Visayas distribution utilities. To build on the coal power capacity, the Group will be investing on renewable energy in line with its sustainability goal and as part of ensuring the long-term role of growth and profitability of Power in the Group.

The Group's real estate business has grown over the last five (5) decades to become one of the leading integrated real estate developers and operators in the Philippines, with real estate revenues and other income growing from ₱11.5 billion in 2010 to ₱31.0 billion in 2025. Within its real estate business, its subsidiaries have played a critical role broadening the group's earnings in real estate where its residential, office and retail offerings play in key market value pools with a variety of product offerings, nationwide presence in terms of locations and price points that cater to a broad set of customer segments. The Group's residential segment continues to focus on large-scale, master-planned townships to capitalize on its extensive land bank and its ability to complete the mixed-use requirements of its townships and estates. With its development pipeline expanding from Filinvest City, its CBD in Alabang, to Clark and New Clark City, Cebu (South Road Properties) and Taytay (677 hectares in Timberland), the Group has begun to establish a more Philippines-wide national revenue stream, which it expects to insulate its real estate business from the competitive Metro Manila market.

The Group has also grown its hospitality business in recent years. The Group believes its hospitality business not only complements its real estate developments but is a key segment that will provide incremental earnings and accretive revenues and earnings growth over the long-term. This segment of the Group has grown from 290 keys managed in 2010 to 1,751 in 2025, capitalizing on the strong demand from both foreign and domestic travel and the demand coming from the meetings, incentives, conventions and exhibitions ("MICE") sector. Under the Crimson and Quest Hotel brands, the Group today has hotels located in Cebu City, Mactan Island, Muntinlupa City, Clark Freeport Zone, Pampanga, Tagaytay City, Boracay and Baguio City.

For the Group's sugar subsidiary, the stable sugar business also plays a key role in the portfolio that is a good hedge against the economic cycles. It has delivered steady returns every year. Improvements in milling operations translated to increased cane supply thereby improving productivity which offset sugar price volatility. While the sugar business only contributed 6% of the Group's total attributable earnings, this segment, has however, delivered a 29% increase in revenues and other income in 2025.

Disciplined and Strategic Financial Management

The Group adopts a centralized approach to capital allocation decisions across its businesses, which allows the Group to efficiently allocate its resources to high growth opportunities and regions. The Group believes its financial strength and conservative leverage enhances its ability to expand and further diversify its business with ready access to capital and financing at competitive rates, allowing it the flexibility to quickly capitalize on business opportunities as they present themselves.

The Group believes each of its business segments has a strong financial position and a stable earnings base. FDC's position of majority ownership in the Group's businesses, along with its leadership team committed to prudent financial management and growth, assures that cashflow from these businesses are efficiently managed and allocated efficiently according to the Group's requirements and strategic objectives. The Group's stable earnings are complemented by its relatively low leverage in its non-financial services businesses, which provides significant capacity to take advantage of growth opportunities whether by expansion, acquisitions or other business combinations and partnerships. FDC has taken advantage of these strong financial fundamentals by being one of the first Philippine conglomerates to regularly tap both domestic and international debt capital markets through bond issuances. In turn, its financial discipline and credibility has been confirmed by both investors and financial institutions such as external ratings agencies, which have consistently assigned bond issuances of FDC and its subsidiaries PRS Aaa, the highest possible rating for a bond (the last issuance being the issuance of FLI of ₱12.0 billion bonds consisting of up to three (3) tranches, namely, Series B Bonds Due 2030, Series C Bonds due 2032 and Series D Bonds due 2035). The Group believes these top-tier ratings are warranted due to the following key considerations: FDC's steady earnings and diversified business portfolio; maintenance and good credit standing even in times of financial crises; strong financial flexibility; established brand names and good market position of its key subsidiaries; its subsidiaries operating in growth industries; the conservative and professional stance of management; and FDC's new investments (e.g., power and infrastructure) which the Group expects to significantly contribute to profitability in the medium-term.

Trusted Business Partner with History of Successful Collaborations

The Group has built a strong reputation as a trusted partner with a track record of collaborating on successful projects. In the 1990s, the Group's real estate business partnered with the Government on Filinvest City, a 244-hectare CBD which has provided a viable alternative for businesses and establishments outside the greater Metro Manila area. The Group has also partnered with the Cebu City Government for the joint venture development of a portion of the South Road Properties ("SRP"), a reclaimed land project located in Cebu City. The Group holds 50.4 hectares in the SRP, of which 40 hectares is subject to the joint venture development. In addition, the Group has also partnered with CDC and BCDA for the development of 201-hectare Filinvest Mimosa+ Leisure City and 288-hectare New Clark City, respectively. These collaborations clearly show the confidence of national and LGUs in the Group's ability to add value and expertise to the significant projects.

As the Group has diversified into other product lines and businesses, it has tapped experienced international partners and strategically outsourced to more established industry players to supplement its in-Group management team. For example, the Group has entered into arrangements with Engie for its district cooling and solar energy solution business; with Ageas for EW's bancassurance business; HAQT for processed water solutions across the Philippines; Mitsubishi for the development of a multi-tower mixed-use complex within Filinvest City; and Changi Airports Philippines (I) Pte. Ltd. (wholly owned by Changi Airports International) for the operation and maintenance of the Group's Clark Development airport project. The Group's CHI subsidiary has also built a hotel management team with a significant percentage of expatriates holding GM, Executive Chef and key positions in CHI to ensure the Group's hospitality properties adhere to international standards.

The Group believes that these collaborations have enhanced its reputation in the market as a viable partner for Government and international stakeholders for their large-scale and important projects in the Philippines. On the other hand, the Group believes it has greatly benefitted by garnering technical knowhow, best practices and operational experience from the partners it has worked with, which it can apply to its operations and new businesses moving forward.

Experienced Management Team

The Group's management team has extensive experience in, and in-depth knowledge of the business segments the conglomerate is engaged in. Members of the Group's management team have an average of more than 30 years' experience in their respective businesses, such experience spanning market downturns and volatility, financial crises and political and global economic changes. Several members of the management team have post-graduate degrees from reputable business schools from within and outside of the Philippines.. The Group believes that the market experience and knowledge that its key members of management possess across each of the Group's businesses and the business relationships they have developed in the various industries have been and will continue to be an integral part of the Group's performance and growth strategy.

Competitive Strengths of the Group's Operating Segments

The Group believes that the principal strengths of its operating segments are the following:

Real Estate Operations and Hospitality Operations

The Group has been active in the real estate business for over 40 years and the hospitality business for over 10 years. FLI focuses on residential, office, industrial and retail developments, while FDC handles the leisure and hospitality, or hotel development segment. FAI was formed primarily to develop Filinvest City, an alternative CBD in Muntinlupa City with a significant land bank available for development, and where the Group focuses on office and commercial leasing, particularly to BPOs, as well as high-end vertical residential developments.

Real Estate Operations

The Group believes its real estate business possesses the following principal strengths:

- Recognized brand in affordable and middle income housing.
- Extensive nationwide and international sales channels.
- A pioneer and major player in office development and leasing.
- Proven record in township and land bank value creation.
- Strong credit record and bond issuance track record.
- Integrated capabilities and expertise across the real estate value chain from land banking, master planning and design, engineering, operations and sales

Hospitality Operations

The Group believes its hospitality business possesses the following principal strengths:

- Strategically positioned to develop properties in key leisure destinations.
- High-quality service rooted in Filipino hospitality.
- Strong homegrown brands servicing diverse segments.
- Full ownership and management capabilities with extensive global expertise in the hospitality industry.
- Synergies as part of the Filinvest Group.

Banking and Financial Services

Since its formation in 1994, EW has experienced strong growth. The Group believes EW is well-positioned in the Philippine market due to the following principal strengths:

- Strong focus on and growing market position in high growth consumer segments.
- Strategically located store network.
- Differentiated services tailored to mid-market corporates and retail customers.
- Prudent balance sheet management to manage a predominantly consumer loan portfolio.

Power and Utility Operations

FDC, through its wholly owned subsidiary FDCUI, re-entered the power industry in 2009 to further diversify its business. The Group believes FDCUI's principal strengths include:

- One of the largest baseload facilities in Mindanao with significant capacity for expansion.
- Well-positioned to capitalize on attractive power industry growth opportunities in Mindanao, a region with high expected demand in the medium term.
- Risk mitigated business model with predictable cash flows supported by long-term power supply agreements with distribution utilities with high credit ratings.
- Clean coal circulating fluidized bed technology providing more environmentally sustainable energy.
- Established relationships with world-class energy players for plant construction, turbine supply, operations and maintenance, as well as renewable energy projects.
- Diversification into other high growth sectors.

Sugar Operations

The Group's sugar business, conducted through PSHC, believes it possesses the following principal strengths:

- Adaptable business model with vertical integration based primarily in attractive Mindanao market.
- In-house corporate farm to enhance productivity and efficiency through innovation.
- Strategic location with natural barriers to entry.
- Long-standing relationships with growers and traders.

BUSINESS STRATEGY OF THE GROUP

FDC's strategic priorities are the following: (1) to unlock value and accelerate the growth of its core businesses in real estate, banking, power, and sugar; (2) to support its emerging businesses, such as hospitality, renewable energy, and water, to establish a platform to enable them to scale and deliver sustainable and profitable growth; while (3) looking out for potential businesses that can be new engines of growth and long-term value for the Group's portfolio or as a source of synergies to accelerate the existing businesses.

The Group has set out the following key strategic imperatives to guide its subsidiaries to realize value for its customers and shareholders. Each of the Group's subsidiaries are guided by the following strategic imperatives:

1. An identified, well-defined set of priorities to build lasting competitive advantages to be a source of strong, sustained long-term profitable growth. This entails supporting the various businesses of the group with frameworks, management systems, tools and other necessary enablers to translate initiatives and capabilities to achieve differentiation. Differentiation will in turn enable pricing premiums and/or cost leadership, increase returns from economies of scale and cost and capital efficiencies. The Group has set up centers of excellence since 2022 and have enabled that with new leadership that will guide in the implementation of standardization programs to improve productivity and operating efficiencies leveraging from the Group's shared services, upskilling of talent to future proof and elevate capability from focused functional leadership and expertise and synergies from across the Group's various companies.
2. Deliver a higher return on invested capital with clear plans to drive better than market profit margins, strong unit economics, improved asset efficiency and productivity. These are key pillars that will drive financial management. Push for stronger cash generation from improved margins and asset efficiency. FDC and its subsidiaries are expected to maintain a healthy balance sheet that is able to meet its debt and dividend obligations, build sufficient cash buffers, and maintain flexibility to access capital to fund its growth plans and new investments.
3. To be an employer of choice. The Group's cultural transformation was preceded by the launch of the Filinvest Core Values in 2022. The Filinvest Core Values was anchored on the Gotianun family's values which have served the company Group well through challenging and evolving times. For the past year, the Group and its subsidiaries have welcomed new leadership who will be key agents for the group's transformation. The next phase to this strategic imperative is executing the drive towards a culture of high performing, highly engaged and purpose-driven organization.
4. Leverage on the Group's heritage to build brand equity through customer centricity. The Filinvest brand will be known for its mission of enabling Filipinos to achieve their dreams. Each portfolio company serving the different needs of the Filipinos will strive towards building recognizable and reputable brands known for delivering superior customer value and experience. The Group expects each business to drive innovation and execution excellence for its customers.
5. Build and amplify the environment, social, and governance ("ESG") reputation as a Group. At the heart of the Group's sustainability framework is its aspiration to being Green, Inclusive and Resilient. Each business will focus initiatives around ESG on these three impact areas.

A more detailed discussion on each of the subsidiaries' strategies and how each defined their strategic priorities can be found in the respective Business Segment discussion.

Leverage on its Foundation for Growth to Scale-up Businesses

The Group believes that it has been successful in expanding its businesses in the last few years as a foundation for future growth, and now aims to capitalize on such efforts in the near- to medium-term by scaling up and optimizing operations across its businesses, and further improving cost efficiencies. Across all its businesses, the Group intends to capitalize on its nationwide presence and knowledge of local conditions and relationships in order to maintain its growth by tapping into more markets and keeping pace with the growing importance of the provincial areas. It will aim to optimize its current business know-how as well as spread its base infrastructure by introducing its products to new regions and a provincial customer base. The Group will seek to achieve these while keeping to its broader general strategies of focusing on

the continued consumption growth of the affordable and middle market sectors. Specifically, with respect to its main businesses, the Group intends to:

- Real estate and hospitality – focus on specific markets with sufficient demand and depth, such as Cebu and Clark, while diversifying its revenue sources and broadening its product offerings to prepare it for and insulate it from changing consumer demand. The Group’s property trading business focuses on the largest segment of the Philippine population, according to Colliers, as well as provides products within the pricing range of the key OFW market. In the hospitality segment, the Group intends to focus on key segments of the market – mass middle and mass affluent – which provide sufficient depth and size, and to create hospitality offerings at economic sizes;
- Banking and financial services – implement its medium-term strategy to achieve a Top 3 Consumer Bank position in the country through continued focus on consumer lending, targeting the mass and mass affluent segment, supported by strategic coverage for CASA, targeting the affluent segment and commercial markets. EW is also targeting to maintain a portfolio of deposits that is mainly low-cost, which would insulate it from the volatility of the financial markets;
- Power – scale up operations and secure sufficient demand for the remaining uncontracted capacity of its Misamis plant. Increase and diversify its generation portfolio by completing on time its renewable energy projects; and
- Sugar – continue expanding sugarcane farms and improving farm yields, improving factory efficiencies and achieving cost reductions in its production process, which has smoothed its earnings over the past few years despite changing market dynamics.

Accelerate Monetization of Land Bank

The Group believes it has utilized its long experience in the real estate market to build up a considerable and strategically located land bank which features ideal geographic access, key elements, base infrastructure, all with the reputational standing of the “Filinvest” name. One of the Group’s key objectives is to accelerate the monetization of this land bank through a combined strategy of:

- continued strong sales of land and vertical development products, increased vertical recurring income development and monetization of assets through potential REIT opportunities; and
- minimizing land carrying cost through more interim land leases.

The Group believes that the maturity of its large-scale, master-planned townships will allow it to accelerate monetization of specific portions of its land bank, given the property price increases in these areas brought about by the Group’s improvements and township projects, as well as the continued economic growth of the Philippines in general.

Business Strategy of the Group’s Operating Segments

The specific strategies of each of the Group’s operating segments to achieve the Group’s objectives are outlined below.

Real Estate Operations Strategy

FLI intends to further accelerate growth and improve its return on equity by aggressively developing its land bank while retaining its current focus on the high-growth affordable and middle market segments where FLI believes it has a competitive advantage based on its current strong position. FLI has the following strategies:

- Continue to build up recurring income streams and capitalize on REIT opportunities.
- Optimize existing assets.
- Accelerate monetization of land bank.
- Targeted vertical operations integration and digitization to improve cost efficiency.

Hospitality Strategy

The Group's principal strategies for its hospitality business are as follows:

- Grow in key and emerging leisure destinations in the Philippines for mass affluent travelers
- Strengthen MICE and corporate presence in Tier 1 and 2 business hubs
- Build strong complements through F&B, leisure and events options to drive both room and nonroom revenues
- Scale with asset-light models (condotels, management contracts, JVs, Lease agreements)
- Enhance synergies with the Group - develop hospitality projects in areas where the Group's larger mixed-use developments are located.
- Leverage technology to maximize marketing reach and distribution channels, lower costs and meet changing customer expectations.

Banking and Financial Services Strategy

The Group intends to continue to grow EW as a significant competitor in the Philippine financial services industry. To achieve this growth, the Bank has strategically opted to target its financial products and services to the consumer, middle-market corporate and mass affluent market segments. The Bank believes these market segments offer significant growth opportunities while also enabling the Bank to manage its risk exposure by maintaining a balanced portfolio mix. Given the competitive landscape of, and the Bank's position within, the Philippine banking industry, the Bank has identified the consumer segment as a key target market. EW envisions itself to be a leading bank, anchored on and differentiated from its competitors through a strong focus on retail banking resulting in a healthy return on equity. EW believes it has proven its success within the consumer market by achieving significant competitive traction in a relatively short period of time. Over the next few years, EW's priorities are to continue its efforts to improve the operating leverage, cost efficiencies and overall competitiveness of the Bank. EW's business strategies are set out below.

- Building channels with a customer-first mindset
- Relationship Deepening through better value propositions and programs
- Enhancing Efficiency and Productivity across processes, data and IT
- Building a sustainable DNA
- Strengthen risk management and governance framework.

Power and Utility Operations Strategy

The Group intends to continuously develop its power generation capabilities, take advantage of the expected growth in demand, as well as pursue other opportunities selectively. FDCUI's main strategies are to:

- Capitalize on favorable regional and industry dynamics.
- Continue to build the RES business to diversify revenue streams and take advantage of open access.
- Continue to explore and pursue renewable energy projects.
- Selectively participate in the bidding for Government and private power generation assets.
- Pursue niche marketing and strategic partnerships.
- Enhance CSR initiatives.

Sugar Operations Strategy

Sugar Group's main strategies are to augment cane supply, focus on cost efficiency, improve its human resources management and pursue any opportunities available to develop its plants for power production. The Group's business strategies in relation to its sugar business are the following:

- Augment cane supply by expansions and developing programs to help improve farmer yields.
- Reduce production cost by enhancing plant maintenance program.
- Develop human resources.
- Explore synergistic opportunities in the power sector, particularly in biomass.

Infrastructure Strategy

The Group is continually and selectively examining and pursuing potential infrastructure projects, particularly in areas which would complement its existing businesses. In line with the general policy and “Build, Build, Build” framework of the Duterte administration in relation to key infrastructure projects, the Group believes that it is essential to pursue such projects in order to further build up the Group’s recurring income stream. Furthermore, the Group believes that pursuing and participating in infrastructure projects will also help to insulate it against any downturns in the economic cycle, primarily because of these projects’ fundamental nature to the economy.

- Continually and selectively pursue infrastructure projects, particularly in areas which complement the Group’s existing businesses.

ITEM 2. PROPERTIES

The Parent Company developed the Beaufort, a residential condominium in Bonifacio Global City, Taguig City, Metro Manila and CRSM in Mactan Island, Cebu.

The Beaufort

FDC launched a premier residential condominium in Bonifacio Global City, Metro Manila in 2007 under the Filinvest Premiere Brand. The condominium is located on a lot adjacent to the Manila Golf Club with 2 luxury residential towers rising atop a 6-level banking podium, and a total of 41 storeys with 4 to 6 residential units per floor. Construction of the East and West Tower was in 2014.

2.1 Land Bank

The Group has invested in properties situated in what the Group believes are prime locations across the Philippines for existing and future housing and land development projects. It is important for the Group to have access to a steady supply of land for future projects. In addition to directly acquiring land for future projects, the Group has also adopted a strategy of entering into joint venture arrangements with land owners for the development of raw land into future project sites for housing and land development projects to reduce the capital expenditures for land and to substantially reduce the financial holding costs resulting from owning land for development.

As of December 31, 2025, the Group has a land bank of approximately 2,343.50 hectares of raw land for the development of its various projects, including approximately 705.20 hectares of land under JVAs, which the management believes is sufficient to sustain at least several years of development and sales.

The table below sets forth the locations of the Group's raw land inventory as of December 31, 2025, including land directly owned by the Group and land for which joint venture agreements have been executed with the landowners. The table also identifies the Group's commercial land bank. (area in hectares).

Location	Company Owned	Under Joint Venture	Total	% to Total
Luzon				
Metro Manila	85.5	19.1	104.6	4.5%
Rizal	691.9	9.2	701.1	29.9%
Bulacan	242.6	—	242.6	10.4%
Pampanga	—	226.5	226.5	9.7%
Tarlac	—	288.0	288.0	12.3%
Camarines Sur	0.8	—	0.8	0.0%
Pangasinan	0.3	—	0.3	0.0%
Cavite	286.5	58.8	345.3	14.7%
Laguna	198.8	0.7	199.5	8.5%
Batangas	45.6	42.1	87.7	3.7%
	1,552.0	644.4	2,196.4	93.7%
Visayas				
Cebu	7.0	35.7	42.7	1.8%
Negros Occidental	0.2	—	0.2	0.0%
	7.2	35.7	42.9	1.8%
Mindanao				
Davao	6.4	25.1	31.5	1.3%
South Cotabato	72.5	—	72.5	3.1%
	78.9	25.1	104.0	4.4%
	1,638.1	705.2	2,343.3	100.0%

In addition to above, FLI has the following land under a joint development or long-term leasing agreement available to FLI for development.

Location	Area in has.	Remarks
Filinvest Mimosa Plus	201.6	Being developed with FDC
New Clark City	288.0	Being developed with BCDA
Total	489.6	

2.2 Current Development Projects

The following are the Group's most recently launched projects and projects with new phases and buildings as of December 31, 2025:

PROJECT	LOCATION	PROJECT	LOCATION
HORIZONTAL		MRB	
Amarilyo Crest	Rizal	One Oasis Cebu	Cebu
Pineview	Cavite	One Oasis Cagayan de Oro	Cagayan de Oro
Sandia	Batangas	Panglao Oasis	Taguig
Tierra Vista	Bulacan	One Spatial	Pasig
The Grove	Rizal	San Remo	Cebu
Savannah Place	Cavite	Centro Spatial	Davao
Futura Homes Palm Estates	Bacolod	One Spatial Iloilo	Iloilo
Futura Homes Mactan	Cebu	Marina Spatial	Dumaguete
Futura Homes Iloilo	Iloilo	8 Spatial	Davao
Futura Homes Koronadal	South Cotabato	Maui Oasis	Manila
Anila Park Residences	Rizal	Alta Spatial	Valenzuela City
Aria at Serra Monte	Rizal	Bali Oasis	Pasig
The Prominence	Quezon City	Maldives Oasis	Davao
Futura Homes Davao	Davao	Sorrento Oasis	Pasig
New Fields at Manna	Rizal	Veranda	Davao
Meridian Place	Cavite	Futura East	Cainta
Valle Dulce	Laguna	Futura Centro	Manila
Ventura Real	Rizal	Belize	Muntinlupa
Claremont Expansion	Pampanga	Futura Vinta	Zamboanga
Southwinds	Laguna	Futura Monte	Naga City
Futura Zamboanga	Zamboanga	Futura One Fora Dagupan	Pangasinan
Enclave	Muntinlupa	Futura Shores	Dumaguete
New Leaf	Cavite	Sydney Oasis	Cavite
Mira Valley	Rizal	Futura Bay Gensan	South Cotabato
Hampton Orchard	Pampanga	HRB	
Futura Mira	Laguna	Activa	Quezon City
Futura Plains	Rizal	Levels	Alabang
Tropics 4	Cainta	Studio City	Alabang
New Fields 2 at Manna	Rizal	Studio N (Block 50)	Alabang
Alta Vida 4&5	Bulacan	Two Botanika Nature Residence	Alabang
Rosewood	Cavite	1001 Parkway Residences	Alabang
The Arborage C	Laguna	Botanika Nature Residences	Alabang
New Leaf Phase 2	Cavite	Parkway Corporate Center	Alabang
Celestia	Rizal		
Futura Primo	Bataan		
		Walkup	
		Futura Rise	Iloilo

On-going developments of the abovementioned projects are expected to require additional funds but the Group believes that it will have sufficient financial resources for these anticipated requirements, both from debt financing and generation from operations.

Hospitality Operations

Currently, the Group has full scale operations in seven properties located in Cebu City, Mactan, Muntinlupa City, Clark, Pampanga, Boracay, Tagaytay and San Mateo, Rizal.

Its maiden project MSSl, operating under Crimson Resort and Spa Mactan brand is a deluxe five-star property with 290 rooms, including 40 one-bedroom villas, each with a private pool. Its main recreational facilities are its swimming pool and beachfront. It features four food and beverage outlets and two ballrooms, Coral and The Hall, can collectively accommodate up to 400 guests at any given time. The flagship Azure Beach Club was launched on October 24, 2014. In 2017, the resort completed the renovation of its infinity pool and opened the Spanish-themed Enye restaurant. The property also launched the 3,700-square-meter Crimzone, which offers family-oriented facilities, including a children's play area, a dedicated pool, and a snack bar.

Quest Hotel and Conference Center (QHCC), located in the heart of Cebu City, is a three-star standard city hotel with 427 condotel rooms. The property features an all-day dining restaurant that caters to guests' breakfast requirements as well as meeting and conference needs. It has ten meeting rooms that can accommodate up to 400 participants in total. In addition to supporting the business-related needs of guests, the hotel offers recreational facilities, including a swimming pool.

EHSI, operating under the QPCM brand, is a deluxe property offering 345 guestrooms. Strategically located in Alabang, Muntinlupa City right across the Festival Supermall. It has seven food and beverage outlets, with Café 8 serving as the all-day dining restaurant. The Deck Bar, situated near the swimming pool, is a notable recreational highlight of the property. Its ballroom can accommodate events with up to 350 participants and is complemented by seven additional smaller meeting rooms.

Quest Plus Conference Center is a four-star hotel located within the landscaped Mimosa Leisure Estate in Clark, Pampanga. The destination offers facilities expected of an international resort, including a 36-hole championship golf course, a duty-free shopping hub, nature trails and activities, and nightlife entertainment options. The hotel features 304 newly refurbished guestrooms, a grand ballroom, multiple meeting rooms, and an all-day café. It has eight spacious meeting rooms that can be configured to accommodate varying event requirements. Currently, the hotel operates three food and beverage outlets: Café Mequeni Live, Rare, and Baker J.

Crimson Resort and Spa Boracay, one of the newest destinations in the island, is a five-star resort located in an exclusive area referred to as Station Zero. With scenic views, a pristine white-sand beachfront, and modern facilities, the resort offers 192 keys, including 23 villas. Its dining and leisure outlets include Saffron Café, Mosaic Latin American Grill, Azure Beach Club, and J's Pool Bar. The property also provides a wide range of leisure and event facilities, such as the Events Pavilion, Coral Ballroom, Crimzone Kids' Club, Aum Spa, and expansive pool areas.

Quest Hotel Tagaytay is a condotel property comprising two towers, each with 164 rooms, and is located along General Emilio Aguinaldo Highway, Tagaytay City. Similar to QHCC Cebu, the condotel units are sold to third-party buyers under a condotel participation agreement. The units are operated and managed by CHI, which distributes net income, after expenses, to eligible unit owners. Tower 1 commenced soft operations in April 2019 and was completed in the last quarter of 2019.

Timberland Highlands Resort is a resort property featuring five buildings with a total of 72 rooms, located along Timberland Heights, Brgy. Guitnang Bayan, San Mateo, Rizal. The property commenced operations in 2021. Owing to its proximity to mountain terrain, the resort caters to nature enthusiasts and offers various outdoor activities such as basketball, tennis, badminton, hiking, and biking, as well as relaxation amenities including a swimming pool and spa.

Banking and Financial Services

The Bank's head office is located at East West Corporate Center, The Beaufort, Fort Bonifacio Global City, Taguig City, Philippines.

The Bank believes all its facilities and properties are currently in good condition. As of date of this report, there are no liens or encumbrances on any of the properties of EW. The Bank may consider encumbering some of its properties as part of its normal supplementary funding operations. The Bank will continue to reconfigure the mix of its branches and adjust to the needs of its customers.

Power and Utility Operations

In 2016, FDCUI, through FDC Misamis, completed its 405 MW clean coal thermal power plant in Mindanao. The power plant is located inside the 3,000-hectare PHIVIDEC Industrial Estate in Villanueva, Misamis Oriental and is connected to the new Villanueva Substation of the National Grid Corporation of the Philippines. FDC Misamis signed in November 2012 a 25-year lease contract with PHIVIDEC Industrial Authority which is exclusive of a 3-year construction period.

FDCUI, through FDC Misamis, FDC Green and FDC Water, entered into several lease agreements and purchase of parcels of land in connection with its thermal plant expansion project, additional ground mounted solar projects and water treatment and desalination projects.

Sugar Operations

Milling and Refining Facilities

The annual sugarcane harvesting period in Mindanao generally begins during the dry season in November and ends in April the following year. Once sugarcane is harvested, farmers in the vicinity of the mills are responsible for transporting the harvest directly to the mills, generally by truck. The Sugar Group grants certain subsidies to assist most of its contract farmers with their transportation costs. The Sugar Group monitors and coordinates harvesting and transportation operations among farmers to achieve an orderly and uninterrupted schedule of cane supply to its sugar mills. At the beginning of each milling season, the Sugar Group surveys the size of the farmers' crops and organizes the farmers' harvesting and supply schedules, amounts of sugarcane delivered and payments through an electronic database. Data is gathered for the Sugar Group's entire production process, including data relating to sugarcane supply and the Sugar Group's factory operations.

Each of DSCC and CSCC has on-site packaging, distribution capabilities and inventory storage facilities. Each mill operates on the basis of 3 eight-hour shifts during the milling season. Once every 2 weeks, DSCC shuts down the mill for about 16 hours for cleaning of the evaporators while CSCC does not need to shut down by alternate use of its 2 sets of evaporators.

Factory Equipment

DSCC owns 1 sugar mill and 1 refinery. The sugar mill equipment includes the following: cane preparation equipment (cane knives and shredder), 3 four-roller mills and 1 five-roller mill, boiling house equipment (heaters, clarifiers, vacuum filters, evaporators, vacuum pans, crystallizers and centrifugals), turbo generators, boilers and other accessories. The refinery equipment includes the following: melters, affination centrifugals, talo-clarifiers, deep-bed filters, ion-exchange decolorization equipment, refinery evaporator, vacuum pans, crytallizers, centrifugals, a dryer and cooler and other accessories. Steam and electricity are provided by 3 units of bagasse-fired steam boilers and 3 units of turbo generators.

CSCC owns one sugar mill and a refinery. The sugar mill equipment includes the following: cane preparation equipment (cane knives and shredder), 3 four-roller mills and 2 five-roller mills, boiling house equipment (heaters, clarifiers, vacuum filters, evaporators, vacuum pans, crystallizers and centrifugals), turbo generators, boilers and other accessories. The refinery equipment includes the following: melters, affination centrifugals, clarifiers, pressure filters, ion-exchange decolorization equipment, refinery

evaporator, vacuum pans, crystallizers, centrifugals, a dryer and cooler and other accessories. Steam and electricity are provided by 3 units of bagasse-fired steam boilers and 4 units of turbo generators.

Properties

The following table lists land owned and leased by the Sugar Group:

Sugar Subsidiary	Area (in sq. m.)
DSCC	
Mill site compound	352,629
Truck yard and access road	96,250
Others	121,018
CSCC	
Mill site compound	204,210
Truck yard and access road	143,589
Other	303,849
HYSFC	
Office site - owned	47,315
Leased lands	599,861
Total	1,868,721

HYSFC has development agreements for a total area of 588 hectares with various landowners remaining as of CY 2024-2025 after a management decision to drop low yielding and high-cost areas. Other reductions are expired agreements that were not renewed by the landowner or renewal not pursued due to unfavourable location. The agreements are generally based on a fixed annual payment from HYSFC to the landowners with terms ranging from 10 years to 15 years. HYSFC develops these areas into sugarcane farms.

Investment Properties

The Group has the following operating strategic investment properties: Festival Supermall, Fora Mall, Main Square Molino, Il Corso, PBCom Tower, 100 West, Northgate Cyberzone, EDSA Wackwack Building, Cebu Cyberzone, Pasay Cyberzone (Bay Area) and Clark Mimosa Cyberzone, Bloc 10, The Crib, Westgate Center, South Station, Vivant Flats (Retail), The Bristol Parkway Place (Retail), Civic Prime (Retail), Parkway Corporate Center (Retail), Entrata Urban Complex, Quest Plus Conference Center Manila, Northgate Cyberzone, The Filinvest Tent, and Mactan Seascapes (Condo Lots).

In addition, the Group has several projects currently under development, which are intended to be held as rental assets upon completion.

ITEM 3. LEGAL PROCEEDINGS

The Group is subject to lawsuits and legal actions in the ordinary course of its real estate development and other allied activities. However, the Group does not believe that any such lawsuits or legal actions will have a significant impact on the financial position or result of operations of the Group. Noteworthy are the following cases involving the Company's subsidiaries:

FDCMPC v. First Bukidnon Electric Cooperative ("FIBECO") Civil Case No. 897, RTC Taguig City, Br. 153

On 18 November 2022, FDCMPC filed a civil case for collection of sum of money (with claims for attorney's fees and costs of suit) against FIBECO, in connection with the latter's failure to pay its obligations under the Electric Power Purchase Agreement (EPPA) dated 4 February 2013 (including subsequent amendments to the EPPA), amounting to ₱1.37 billion as of 5 October 2022.

The case has already undergone initial Pre-Trial and Judicial Dispute Resolution. Notably, after the case was filed, FIBECO has partially paid the amount. To date, out of court settlement negotiation is on going between FDC Misamis and FIBECO.

FDCMPC is represented in this case by its external counsel, Tantoco Villanueva & De Guzman Law Offices.

FDCMPC v. Municipality of Villanueva, et al. AC No. 266, Court of Tax Appeals (CTA), 2nd Division

FDCMPC filed a Complaint to enjoin the Municipality of Villanueva (the "LGU") and its Municipal Mayor and Municipal Treasurer from closing down its 3x135- Megawatt Coal-Fired Power Plants inside PHIVIDEC Industrial Estate-Misamis Oriental Special Economic Zone in Villanueva, Misamis Oriental due to the alleged non-payment of business taxes. FDCMPC contends that the Municipality of Villanueva has no power to impose taxes upon FDCMPC because it is exempted from payment of local taxes under Section 9 of Presidential Decree No. 538 (PD 538). Likewise, FDCMPC argues that it is exempt from business taxes because it is registered as a "pioneer" business enterprise with the Board of Investments. Both Republic Act No. 7160 (the "Local Government Code") and the Revenue Code of Villanueva, as amended, proscribe the Municipality Villanueva from imposing taxes against this kind of business enterprises for six (6) years from the date of their registration. Also, FDCMPC enjoys the tax incentives and privileges under Republic No. 7916, otherwise known as "The Special Economic Zone Act of 1995" and Presidential Decree No. 538 because it is a registered business enterprise at the PIEMO-SEZ. PHIVIDEC Industrial Authority (PIA) was likewise impleaded in this case considering its obligation under the Lease Contract with FDCMPC to keep the latter in quiet, uninterrupted, and peaceful possession and enjoyment of the leased premises during the lease term.

The RTC-Misamis Oriental, Br. 38 (RTC) issued a 72-hour Temporary Restraining Order (TRO) enjoining the LGU from closing down FDCMPC's operations. Thereafter, a Status Quo Agreement was reached by the parties, with the LGU obligating itself not to collect local business taxes against FDCMPC, subject to the issuance of a standby letter of credit (SBLC) in favor of the LGU in the amount of ₱60,668,561.24. On January 14, 2022, the RTC rendered a decision in favor of FDCMPC, and permanently enjoining the LGU to collect local taxes against FDCMPC. The LGU filed a Motion for Reconsideration on the Decision which was likewise denied by the RTC.

On 20 May 2022, the LGU filed a Motion for Extension to file its Petition for Review with the CTA. The case was raffled to the CTA's 2nd Division. Considering that the LGU failed to pay the appeal and docket fees when it filed said motion for extension, FDCMPC filed a Motion to Dismiss, for failure of the LGU to

strictly comply with the rules in perfecting his appeal. Meanwhile, the LGU filed a Petition for Review with prayer for the issuance of a TRO and/or writ of preliminary injunction on 6 June 2022 to which FDCMPC filed its Comment/Opposition.

On 6 January 2023, FDCMPC received a copy of the CTA's Resolution dated 1 December 2022 denying its Motion to Dismiss and setting the case for initial hearing on the issuance of a TRO/injunction. On 16 January 2023, FDCMPC filed its Motion for Reconsideration and motion to suspend the proceedings, arguing, among others, that the CTA no longer has jurisdiction to try and decide the case for failure of the LGU to timely perfect its appeal. FDCMPC's Motion for Reconsideration was eventually denied. FDCMPC filed a Petition for Certiorari under Rule 65 to assail CTA's Resolution which remains pending with the Supreme Court to date.

In its Decision dated August 22, 2024 (the "Assailed Decision"), the CTA received through counsel on September 04, 2024, where it held that enjoining the Municipality of Villanueva from collecting local taxes from FDCMPC based on the following reasons:

- a. There is a blanket withdrawal of the tax exemptions and incentives under Section 193 of the Local Government Code, which purportedly includes the tax exemptions under the PIA Charter (PD 538), consistent with the constitutional mandate of local autonomy;
- b. FDCMPC is not a PEZA-registered entity; hence it cannot avail of the local tax exemptions under the PEZA Act, as amended; and
- c. However, while the local government code has withdrawn the tax exemptions under relevant general and special laws, Section 133 of the LGC expressly prohibits LGUs from imposing taxes on BOI-registered business enterprises certified as pioneer for a period of, among others, 6 years from registration. Given that FDCMPC has a registration from the BOI as a pioneer enterprise issued on August 29, 2013, it is exempt from paying local taxes until August 29, 2019.

However, to maintain this status beyond said date, the CTA ruled that FDCMPC must qualify for exemption under another law or present another valid basis for exemption.

As this Decision will still ultimately have an effect FDCMPC's financial condition in terms of local taxes. Thus, it filed Motion for Partial Reconsideration to assail the CTA Decision, citing among others that the CTA failed to consider the undisputed fact that FDCMPC enjoys a tax holiday granted by the BOI from June 26, 2017, to June 25, 2023, as judicially admitted by Municipality of Villanueva during the Pre-Trial Conference dated June 29, 2021. However, the Motion was denied. FDCMPC filed with the CTA En Banc a Petition for Review on 22 March 2025, and a Supplemental Petition for Review on 27 February 2026. The petition remains pending as of date.

FLI vs. Abdul Backy Ngilay, et al.,
G.R. No. 174715 Supreme Court

This is a civil action for the declaration of nullity of deeds of conditional and absolute sale of certain real properties located in Tumbler, General Santos City, covered by free patents and executed between FLI and the plaintiff's patriarch, Hadiji Gulam Ngilay. The Regional Trial Court ("RTC") of Las Piñas City (Br. 253) decided the case in favor of FLI and upheld the sale of the properties. On appeal, the Court of Appeals ("CA") rendered a decision partly favorable to FLI but nullified the sale of some properties involved. FLI filed a petition for review on certiorari to question that portion of the decision declaring as void the deeds of sale of properties covered by patents issued in 1991. The Supreme Court ("SC") affirmed the decision

of the CA but declared with finality that FLI's purchase of sales patents issued in 1991 was void and ordered the Ngilays to return P14,000,000.00 to FLI. The RTC issued a Writ of Execution dated 16 February 2015. To satisfy the monetary judgment in favor of FLI, four parcels of land owned by the Ngilays and covered by Transfer Certificates of Title ("TCT") Nos. P-6886, 147-201005034, 147-2014000465, and 147-2014000468, were levied on execution and sold at public auction to FLI as highest bidder. The Sheriff's Certificate of Sale over the properties was registered with the Registry of Deeds of General Santos City. FLI filed a motion for the surrender of the certificates of titles of the Ngilays so that FLI's affidavit of consolidation of ownership can be annotated on the titles and new certificates of title will be issued in FLI's name. This motion was partially granted; 3 titles, namely Transfer Certificates of Title ("TCT") Nos. 147-2014005034, 147-2014000465, and 147-2014000468, are surrendered to the Register of Deeds of General Santos City. But the sale by the Sheriff of the property covered by TCT No. P-6886 was declared invalid, because the sale of the property covered by said title was not one of the sales previously declared by the SC as invalid. The Sheriff was ordered to look for another property of Ngilay for execution and to issue an amended certificate of sale for the three (3) Ngilay properties in favor of FLI. We are awaiting the Court's issuance of an order approving the amended certificate of sale along with the resolution of the Court on Moner Ngilay's Motion to Exclude his property from execution, with FLI's opposition already filed. The court granted FLI's motions and ordered the Deputy Sheriff of the Regional Trial Court, Branch 253 of Las Piñas City, to amend the Certificate of Sale in accordance with the Order dated June 1, 2018 while Moner Ngilay's Motion to Exclude his property from execution was denied.

Republic of the Philippines vs. Rolando Pascual, et al.,
Civil Case No. 7059 RTC General Santos Branch 36 (On appeal by the Republic to the Court of Appeals)

The Republic through the Office of the Solicitor General (OSG) filed suit against Rolando Pascual, Rogelio Pascual, and FLI for cancellation of title and reversion in favor of the Government of properties subject of a joint venture agreement between the said individuals and FLI. The Government claims that the subject properties covering about 73.33 hectares are not alienable and disposable for being forest land. The case was dismissed by the RTC Branch 36 of General Santos City on 16 November 2007 for lack of merit. On appeal by the Republic, the Court of Appeals reversed the Decision of the RTC and ordered the case to be remanded for a full-blown trial on the merits. FLI filed its Petition for Review with the SC, but the latter also affirmed the Decision of the CA remanding the case to the RTC for further proceedings.

When the case was remanded in the trial court, the RTC set the case for Judicial Dispute Resolution which was eventually terminated after the parties failed to arrive at an amicable settlement. After several re-settings that spanned over a decade in addition to the pandemic, the pre-trial originally set on 14 April 2020 was held on 17 May 2022 at 8:30am. Representatives and counsel of the Republic, particularly from the Department of Environment and Natural Resources (DENR) and the Office of the Solicitor General, still failed to attend. Hence, the RTC of General Santos City dismissed the case with prejudice upon motion of the defendants during the proceedings. The Republic filed its *Motion for Reconsideration* but the same was denied by the RTC which affirmed the dismissal of the case as stated in its Order dated 17 May 2022.

On 23 January 2023, the Republic filed a *Notice of Appeal*. On July 30, 2024, the Court of Appeals issued a *Resolution* acknowledging receipt of the transmittal of records of the RTC, with directive to cure the defects therein within ten (10) days from notice. On August 30, 2024, the RTC replied to the directive of the Court of Appeals and explained the deficiencies in the transmittal of records. On October 8, 2024, the Court of Appeals issued its *Resolution* noting the explanation of the RTC, directing the parties to comment and manifest to the court if they are willing to dispense with the deficiencies in the records, and decide the case only on the available records, and forward the *rollo* of the case to the records division of the Court of Appeals to determine its completeness, and if so, issue the notice to file brief to the parties.

On October 28, 2025, the Court of Appeals issued a resolution noting the letter dated June 4, 2025 filed by Minerva V. Casanova, Postal Service Officer I, Chief, Admin/Records Unit of Philippine Postal Corporation-Quezon City, which was filed pursuant to the May 5, 2025 Minute Resolution, and directing

the Office of the Solicitor General why it should not be cited in contempt of court within ten (10) days from receipt thereof for failure to comply with the directive of the Court of Appeals to file a comment/compliance, among others.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5.1 MARKET FOR ISSUER'S EQUITY AND RELATED STOCKHOLDER MATTERS

Cash Dividends

On October 9, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱16.563 and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of October 23, 2025 and paid on November 8, 2025.

On April 25, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.14027 per share for every common share of record as of May 19, 2025 and paid on June 10, 2025.

On April 26, 2024, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024 and paid on June 11, 2024.

On April 28, 2023, FDC's BOD approved the declaration and payment of cash dividends of ₱565.1 million or ₱0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

The payment of cash dividends depends upon the Parent Company's earnings, cash flow, financial condition, capital investment requirements and other factors (including certain restrictions on dividends imposed by the terms of loan agreements). Pursuant to the loan agreements entered into by the company and certain financial institutions, the Parent Company needs the lenders' prior consent in cases of cash dividend declaration if it is in default under such loan agreements.

ITEM 5.2 BOND ISSUANCES

On February 7, 2024, FDC issued fixed rate bonds with aggregate principal amount of ₱10.0 billion 2.5-year bonds with interest of 6.32% per annum due in 2026. Interest is payable quarterly in arrears starting on May 7, 2024.

Net proceeds from the bonds amounted to ₱9,876.0 million of which portion was used for refinancing amounting to ₱5,000.0 million and ₱2,512.4 million was used for the capital expenditures of the Hotel and Renewable Projects, digitalization, and general corporate purposes.

Recent Sale of Unregistered Securities

There are no securities sold by the Company in the past 3 years, which were not registered under the Code 2.

ITEM 5.3 PREFERRED SHARES ISSUANCE

On August 8, 2025, the FDC issued and listed 8,000,000 cumulative, non-voting, non-convertible, redeemable and re-issuable perpetual preferred shares with ₱1 par value, at an issue price of ₱1,000 per share. The listing was offered in two (2) series: 6.6253% per annum Series A Preferred Shares and/or 7.1087% per annum Series B Preferred Shares.

The preferred stock and additional paid-in capital recognized from the issuance amounted to ₱8.0 million and ₱7.9 billion, respectively. Shares issued for Series A and Series B are 2,310,015 shares and 5,689,985 shares.

Net proceeds from the preferred shares issuance amounted to ₱8,000.0 million of which portion was used for refinancing amounting to ₱6,750.0 million and ₱257.2 million was used for the payment of offer expenses, capital expenditures and general corporate purposes.

Market Price Information

The Common shares are listed and traded on the PSE under the trading symbol “FDC.” The following table presents the high and low market prices (in PHP) of the common shares as reported in the PSE for the years 2023, 2024, and 2025.

	High	Low	End
2023			
First Quarter	6.64	5.12	5.50
Second Quarter	5.89	5.18	5.20
Third Quarter	5.80	4.86	5.22
Fourth Quarter	5.60	4.99	5.35
2024			
First Quarter	5.98	5.35	5.68
Second Quarter	5.80	5.38	5.48
Third Quarter	6.00	5.27	5.80
Fourth Quarter	5.85	4.90	4.94
2025			
First Quarter	4.90	4.90	4.90
Second Quarter	5.00	4.92	4.92
Third Quarter	4.78	4.78	4.78
Fourth Quarter	4.60	4.50	4.55

The number of shareholders of record (**exclusive of treasury**) as of December 31, 2025 were 3,972. Total common shares outstanding were 8,648,462,987 as of December 31, 2025.

The price information of Series A Preferred Shares and Series B Preferred Shares as of the close of the latest practicable trading date, March 27, 2026, are ₱1,010.00 and ₱1,000.00, respectively.

Top 20 Stockholders

Common Shares as of March 31, 2026

	NAME	NO. OF SHARES	% TO TOTAL
1	A. L. Gotianun, Inc.	7,587,823,501	87.74%
2	PCD Nominee Corporation (Filipino)	913,137,939	10.56%
3	Michael Edward T. Gotianun	50,501,501	0.58%
4	PCD Nominee Corporation (Non-Filipino)	34,172,082	0.40%
5	Ricardo Alonzo	28,627,534	0.33%
6	Helen Reyes	2,692,544	0.03%
7	Emily Benedicto	2,466,400	0.03%
8	H.K. Hedinger	2,023,508	0.02%
9	Santiago Go	1,707,066	0.02%
10	Executive Optical, Inc.	1,023,556	0.01%

11	AMA Rural Bank of Mandaluyong, Inc.	616,600	0.01%
12	Andrew Gerard D. Gotianun III	561,999	0.01%
13	Aldrin Gerard D. Gotianun	561,999	0.01%
14	Manuel Benipayo	527,141	0.01%
15	Salud Borromeo	501,655	0.01%
16	Francisco Benedicto	493,280	0.01%
17	Edan Corporation	387,224	0.00%
18	Ma. Consuelo R. Medrano &/or Victoriano S. Medrano	308,300	0.00%
19	Alfonso Siy &/Or Ang Pue Tin	246,640	0.00%
20	Francesca Zenaida Lu	240,857	0.00%
	Total	8,628,621,326	99.77%

Series A Preferred Shares as of March 31, 2026

	NAME	NO. OF SHARES	% TO TOTAL
1	PCD Nominee Corporation (Filipino)	2,275,755	98.52%
2	PCD Nominee Corporation (Non-Filipino)	34,260	1.48%
	Total	2,310,015	100.00%

Series B Preferred Shares as of March 31, 2026

	NAME	NO. OF SHARES	% TO TOTAL
1	PCD Nominee Corporation (Filipino)	5,664,045	99.54%
2	PCD Nominee Corporation (Non-Filipino)	25,440	0.45%
3	Angelo De Guzman Macabuhay	500	0.01%
	Total	5,689,985	100.00%

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

	December 31		Increase (decrease)	
	2025	2024	Amount	%
REVENUES				
Real estate operations				
Sale of lots, condominium and residential units	₱20,170,495	₱17,567,000	₱2,603,495	14.8%
Mall and rental revenues	9,043,233	8,486,789	556,444	6.6%
Hospitality operations	3,789,442	3,763,329	26,113	0.7%
Banking and financial services	49,719,499	41,730,563	7,988,936	19.1%
Power and utility operations	17,522,205	24,397,973	(6,875,768)	-28.2%
Sugar operations	7,495,329	5,815,205	1,680,124	28.9%
TOTAL REVENUES	107,740,203	101,760,859	5,979,344	5.9%
OTHER INCOME				
Real estate operations	1,764,060	2,026,362	(262,302)	-12.9%
Hospitality operations	300,167	552,898	(252,731)	-45.7%
Banking and financial services	10,347,966	8,932,099	1,415,867	15.9%
Power and utility operations	370,098	130,235	239,863	184.2%
Sugar operations	51,841	43,085	8,756	20.3%
TOTAL OTHER INCOME	12,834,132	11,684,679	1,149,453	9.8%
TOTAL REVENUES AND OTHER INCOME	120,574,335	113,445,538	7,128,797	6.3%
COSTS				
Real estate operations				
Sale of lots, condo and residential units	8,742,362	7,754,859	987,503	12.7%
Rental services	3,794,214	3,613,954	180,260	5.0%
Hospitality operations	2,373,476	2,526,342	(152,866)	-6.1%
Banking and financial services	9,334,358	8,418,748	915,610	10.9%
Power operations	9,653,582	16,691,157	(7,037,575)	-42.2%
Sugar Operations	6,257,863	4,741,794	1,516,069	32.0%
Other operations	477,158	591,785	(114,627)	-19.4%
	40,633,013	44,338,639	(3,705,626)	-8.4%
EXPENSES				
Real estate operations	9,984,410	9,309,880	674,530	7.2%
Hospitality operations	1,332,468	1,449,580	(117,112)	-8.1%
Banking and financial services	39,708,904	32,855,465	6,853,439	20.9%
Power and utility operations	2,088,047	2,355,718	(267,671)	-11.4%
Sugar operations	248,170	201,983	46,187	22.9%
Other operations	2,330,608	2,378,968	(48,360)	-2.0%
	55,692,607	48,551,594	7,141,013	14.7%
TOTAL COST AND EXPENSES	96,325,620	92,890,233	3,435,387	3.7%
INCOME BEFORE INCOME TAX	24,248,715	20,555,305	3,693,410	18.0%
PROVISION FOR INCOME TAX				
Current	7,362,490	3,895,854	3,466,636	89.0%
Deferred	(1,990,043)	961,098	(2,951,141)	-307.1%
	5,372,447	4,856,952	515,495	10.6%
NET INCOME	₱18,876,268	₱15,698,353	₱3,177,915	20.2%
Attributable to:				
Equity holders of the parent	₱15,007,865	₱12,131,320	₱2,876,545	23.7%
Minority interest	3,868,403	3,567,033	301,370	8.4%
	₱18,876,268	₱15,698,353	₱3,177,915	20.2%
Basic/Diluted Earnings Per Share	₱1.720	₱1.403		

Revenues

Real Estate Operations - Sale of Lots, Condominium and Residential Units grew by 14.8% or ₱2,603.5 million, reaching ₱20,170.5 million. The increase was primarily driven by improved performance across both industrial and residential segments. Growth in the residential segment was led by higher sales in the low and affordable housing segment, which increased by 48%, and the high-end segment, which grew by 40%.

In terms of sales mix, total real estate sales booked during the year were largely composed of Middle-Income products at 62.7% (inclusive of MRB and HRB), followed by High-End products at 18.4%, Affordable and Low Affordable housing at 15.2%, and Socialized housing at 3.7%.

Real Estate Operations - Mall and Rental Revenues improved by 6.6% or ₱556.4 million, totaling ₱9,043.2 million. Mall rentals growth was driven by the underlying growth in occupancy and rental escalations.

Banking and Financial Services Revenues increased by 19.1% or ₱7,988.9 million, reaching ₱49,719.5 million, driven by higher interest income from consumer loans and fixed income securities.

Power and Utility declined by 28.2% or ₱6,875.8 million to ₱17,522.2 million in 2025, primarily due to significant decline in spot market sales and the significant drop in coal prices.

Sugar Revenues went up by 28.9% or ₱1,680.1 million to ₱7,495.3 from higher milling revenue brought by higher production volume and favorable raw sugar prices.

Other Income

Other Income - Real Estate Operations decreased by 12.9% or ₱262.3 million to ₱1,764.1 million, driven by lower management fees, and decrease in deposit forfeitures and late payment charges.

Other Income - Hospitality Operations decreased by 45.7% or ₱252.7 million to ₱300.2 million from additional income recognized in 2024 from the insurance proceeds received for Mactan properties damaged by Typhoon Odette. Other operating income such as management fees and interest income also has slight decrease in 2025.

Other Income - Banking and Financial Services increased by 15.9% or ₱1,415.9 million to ₱10,348.0 million, driven by higher service charges, commissions, trading gains, and miscellaneous income.

Other Income - Power and Utility Operations increased by 184.2% or ₱239.9 million to ₱370.1 million mainly from the recovery of previous years' generation fees accrued from contract terminations.

Other Income - Sugar Operations increased by 20.3% or ₱8.8 million to ₱51.8 million due to higher scrap sales.

Costs

Costs of Sale of Lots, Condominium and Residential Units increased by 12.7% or ₱987.5 million to ₱8,742.4 million, in line with the higher real estate sales during the year.

Costs of Mall and Rental Services went up by 5.0% or ₱180.3 million to ₱3,794.2 million due to higher direct operating expense, mainly from depreciation of new buildings that opened during the year, and other costs such as mall operations and utilities, aimed to improved business activities in the retail segment.

Costs of Hospitality Operations decreased by 6.1% or ₱152.9 million to ₱2,373.5, from increased operational efficiency, despite the slight increase in business volume and inflation.

Costs of Banking and Financial Services went up by 10.9% or ₱915.6 million to ₱9,334.4 million due to higher volume and higher cost of funding for the period.

Costs of Power and Utility Operations declined by 42.2% or ₱7,037.6 million to ₱9,653.6 million primarily due to lower fuel cost and purchased electricity, as a result of lower sales volume.

Costs of Sugar Operation increased by 32.0% or ₱1,516.1 million to ₱6,257.9 million, driven by higher milling revenue and sugar sales volume.

Costs of Other Operations decreased by 19.4% or ₱114.6 million to ₱477.2 million, primarily due to lower interest incurred on loans and bonds payable, following net decrease in outstanding debt due to repayments.

Expenses

Expenses from Real Estate Operations went up by 7.2% or ₱674.5 million to ₱9,984.4 million, mainly from interest expense incurred on loans and bonds payable. Operating expenses such as taxes and licenses and outside services increased, while marketing expenses decreased on account of lower commissions and service fees.

Expenses from Hospitality Operations declined by 8.1% or ₱117.1 million to ₱1,332.5 million, driven by lower interest expense on loans payable, and lower operating expenses such as depreciation, repairs and maintenance, outside services, utilities and supplies, as a result of improved operating activities.

Expenses from Banking and Financial Services went up by 20.9% or ₱6,853.4 million to ₱39,708.9 million, driven by higher provision for probable losses due to higher loan volumes, further increased by higher taxes and licenses, service charges and commission, and advertising, and depreciation from assets and right-of-use assets from branch lease contracts renewals and new corporate offices.

Expenses from Power and Utility Operations decreased by 11.4% or ₱267.7 million to ₱2,088.0 million, primarily from decrease in interest expense from principal repayments during the year. Likewise, other operating expenses such as insurance, provision for impairment losses and depreciation also declined.

Expenses from Sugar Operations increased by 22.9% or ₱46.2 million to ₱248.2 million, from increase in taxes and licenses, salaries and benefits, and repairs and maintenance.

Provision for Income Tax

Increased by 10.6% or ₱515.5 million to ₱5,372.4 million from the increase in taxable income during the year.

Net Income

As a result of the foregoing, consolidated net income increased by 20.2% or ₱3,177.9 million to ₱18,876.3 million. Net income attributable to equity holders of the Parent increased by 23.7% or ₱2,876.5 million to ₱15,007.9 million, while net income attributable to non-controlling interest increased by 8.4% or ₱301.4 million to ₱3,868.4 million.

FINANCIAL CONDITION

As at December 31, 2025 Compared with As at December 31, 2024

	December 31 2025	December 31 2024	Increase (decrease)	
			Amount	%
ASSETS				
Cash and cash equivalents	₱49,549,812	₱52,317,373	(₱2,767,561)	-5.3%
Loans and receivables				
Real estate operations	11,130,406	11,384,885	(254,479)	-2.2%
Hospitality operations	317,016	396,137	(79,121)	-20.0%
Financial and banking services	371,544,952	323,459,351	48,085,601	14.9%
Energy operations	3,282,901	4,789,083	(1,506,182)	-31.5%
Sugar operations	160,933	153,708	7,225	4.7%
Financial assets at fair value through profit or loss	13,388,007	9,174,275	4,213,732	45.9%
Financial assets at FVTOCI	27,746,915	29,983,609	(2,236,694)	-7.5%
Investment securities at amortized cost	84,651,590	81,922,750	2,728,840	3.3%
Contract Assets	10,237,238	8,436,614	1,800,624	21.3%
Real estate inventories	85,132,062	78,900,316	6,231,746	7.9%
Coal, spare parts and other inventories	2,859,573	2,397,054	462,519	19.3%
Investment properties - net	104,864,869	103,641,040	1,223,829	1.2%
Property and equipment - net	58,680,338	51,890,809	6,789,529	13.1%
Investment in joint venture	2,136,118	2,010,839	125,279	6.2%
Deferred income tax assets - net	6,834,266	5,791,642	1,042,624	18.0%
Goodwill	10,381,152	10,381,152	-	0.0%
Other assets - net	29,189,714	36,649,611	(7,459,897)	-20.4%
	₱872,087,862	₱813,680,248	₱58,407,614	7.2%

Assets

Total consolidated assets grew by 7.2% or ₱58.4 billion to ₱872.1 billion as of December 31, 2025.

The following are the significant changes in account balances from December 31, 2024 to December 31, 2025:

Cash and cash equivalents decreased by 5.3% or ₱2,767.6 million to ₱49,549.8 million driven by Group's repayment of loans and bonds payable, net of availments and decrease in bills and acceptances payables, offset by overall operating cash flow from operating income and proceeds from preferred stock issuance.

Loans and receivables

Real estate operation slightly declined by 2.2% or ₱254.5 million to ₱11,130.4 million driven by higher collections from tenants and real estate buyers, government and financial institutions, and sale of joint venture lots, partially offset by increase in contract receivables due to new sales recognized during the year.

Hospitality operation decreased by 20.0% or ₱79.1 million to ₱317.0 million, driven by higher collections from credit card companies, travel agents, and corporate guests, while revenue remains steady.

Financial and banking operation increased by 14.9% or ₱48,085.6 million to ₱371,545.0 million driven mainly by EW's consumer loans.

Energy operation decreased by 31.5% or ₱1,506.2 million to ₱3,282.9 million, driven by higher allowance for ECL, and higher net collections from customers during the year.

Financial assets at fair value through profit or loss increased by 45.9% or ₱4,213.7 million to ₱13,388.0 million, *Financial assets at fair value through other comprehensive income* decreased by 7.5% or ₱2,236.7 million to ₱27,746.9 million, *Investment securities at amortized cost* increased by 3.3% or ₱2,728.8 million to ₱84,651.6 million, the mainly from net increase in EW's investment in government bonds, and increase in revaluation on fair value of assets at fair value through other comprehensive income.

Contract assets increased by 21.3% or ₱1,800.6 million to ₱10,237.2 million, due to due to new sales recognized during the year, at longer payment terms.

Real estate inventories increased by 7.9% or ₱6,231.7 million to ₱85,132.1 million, driven by increase in both subdivision lots, condominium and residential units for sale, and additional land transferred from investment property and land development costs incurred.

Coal, spare parts and other inventories increased by 19.3% or ₱462.5 million to ₱2,859.6 million, driven by higher inventories of spare parts, sugar, and molasses, offset by decline in the inventory level of coal.

Investment properties - net increased by 1.2% or ₱1,223.8 million to ₱104,864.9 million, driven by increase from ongoing investment property construction offset by reclassifications to real estate inventory and Group's annual depreciation.

Property and equipment increased by 13.1% or ₱6,789.5 million to ₱58,680.3 million, driven by ongoing projects of power and utilities, and hospitality segment.

Deferred income tax assets - net increased by 18.0% or ₱1,042.6 million to ₱6,834.3 million, due to higher accruals, and impairment and provision for credit losses within the Group.

Other assets - net decreased by 20.4% or ₱7,460.0 million to ₱29,189.7 million, mainly from release of restricted cash used for repayment of loans and bonds, application of creditable withholding taxes against current income tax liabilities, and net collections of advances to contractors suppliers during the year.

	December 31 2025	December 31 2024	Increase (decrease) Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	₱427,512,804	₱372,542,796	₱54,970,008	14.8%
Bills and acceptances payable	30,350,778	40,117,180	(9,766,402)	-24.3%
Accounts payable and accrued expenses	55,319,754	53,901,380	1,418,374	2.6%
Contract Liabilities	1,506,364	3,156,425	(1,650,061)	-52.3%
Long-term debt	125,678,847	137,331,240	(11,652,393)	-8.5%
Income tax payable	1,155,220	439,461	715,759	162.9%
Retirement Liabilities	1,909,158	1,660,444	248,714	15.0%
Lease liability	8,519,669	9,042,566	(522,897)	-5.8%
Deferred income tax liabilities - net	8,460,487	9,108,250	(647,763)	-7.1%
Total Liabilities	660,413,081	627,299,742	33,113,339	5.3%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock	9,319,872	9,319,872	—	0.0%
Preferred stock	8,000	—	8,000	100.0%
Treasury stock	(3,614,474)	(3,614,474)	—	0.0%
Additional paid-in capital	19,821,886	11,900,015	7,921,871	66.6%
Retained earnings	139,698,860	127,792,244	11,906,616	9.3%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	496,501	(547,086)	1,043,587	190.8%
Remeasurement gains (losses) on retirement plans	(334,859)	(214,373)	(120,486)	56.2%
Translation adjustment	173,830	121,161	52,669	43.5%
Total	165,569,616	144,757,359	20,812,257	14.4%
Noncontrolling interest	46,105,165	41,623,147	4,482,018	10.8%
Total Equity	211,674,781	186,380,506	25,294,275	13.6%
TOTAL LIABILITIES AND EQUITY	₱872,087,862	₱813,680,248	₱58,407,614	7.2%

Liabilities

Total consolidated liabilities increased by 5.3% or ₱33.1 billion to ₱660.4 billion.

The following are the significant changes in liability accounts from December 31, 2024 to December 31, 2025:

Deposit liabilities increased by 14.8% or ₱54,970.0 million from growth in CASA, time and demand deposits.

Bills and acceptances payable decreased by 24.3% or ₱9,766.4 million to ₱30,350.8 million mainly from lower volume of repurchase agreement borrowings and settlement or maturity of the interbank call and term loans.

Contract liabilities decreased by 52.3% or ₱1,650.1 million to ₱1,506.2 million due to real estate's construction in progress for the accounts already qualified for revenue recognition.

Long term debt decreased by 8.5% or ₱11,652.4 million to ₱125,678.8 million, mainly from net debt repayments of bonds and loans payable including the redemption of FDCI's senior 200 million US dollar bonds at maturity.

Income tax payable increased by 162.9% or ₱715.8 million to ₱1,155.2 million, the Group's current provision for income tax.

Retirement liabilities increased by 15.0% or ₱248.7 million to ₱1,909.2 million due to a higher number of employees and adjustments in the actuarial assumptions.

Lease liability decreased by 5.8% or ₱522.9 million to ₱8,519.7 million due to higher lease payments, offset by interest accretion and additional lease contracts during the year.

Deferred income tax liabilities - net decreased by 7.1% or ₱647.8 million to ₱8,460.5 million, mostly from decrease in temporary differences on unrealized gross profit on real estate sales, offset by increase in capitalized borrowing cost.

Equity

On October 9, 2025, the FDCs BOD approved the declaration and payment of cash dividends of ₱16.563 and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of October 23, 2025 and paid on November 8, 2025.

On April 25, 2025, the FDC's BOD approved the declaration and payment of cash dividends of ₱0.14027 per share for every common share of record as of May 19, 2025 and paid on June 10, 2025.

On April 26, 2024, the FDC's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024 and paid on June 11, 2024.

The Group has commitments for capital expenditures for the project developments of the real estate segment, the requirement of the sugar manufacturing subsidiaries, the development and construction of solar power facilities, and other utility projects, the intended construction and management of various hotels, and the bank's expansion and implementation of IT projects, which could be adequately covered by the operating cash flow and availment of medium and long term loans.

Performance Indicators

	As of and for the year ended			
	December 31, 2025		December 31, 2024	
Earnings Per Share - Basic (EPS)	₪1.74	/share	₪1.40	/share
Net Income (Attributable to Equity Holders of the Parent Company)				
Weighted Average Number of Outstanding Shares				
Price Earnings Ratio (PE Ratio)	2.65	Times	3.53	Times
Closing Price ⁽¹⁾				
EPS				
Return on Revenue	16%		14%	
Total Net Income				
Total Revenue				
Return on Equity (Average)	9%		9%	
Total Net Income				
Average Total Equity				
Debt to Equity Ratio				
a) Long-term and Short-term Debt	0.59	:1	0.74	:1
Total Equity				
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement Obligation and Finance Lease Liabilities	0.91	:1	1.10	:1
Total Equity				
Current Ratio				
a) Including EW				
Current Assets	0.84	:1	0.69	:1
Current Liabilities				
b) Excluding EW				
Current Assets	2.16	:1	2.12	:1
Current Liabilities				
Quick Ratio				
a) including EW				
Current Assets – Inventories	0.68	:1	0.52	:1
Current Liabilities				
b) excluding EW				
Current Assets – Inventories	0.82	:1	0.99	:1
Current Liabilities				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	5.27	Times	4.72	Times
EBITDA				
Total Interest Expense ⁽²⁾				
Assets to Equity Ratio	4.12	:1	4.37	:1
Total Assets				
Total Equity				

(1) Closing prices at December 29, 2025 and December 27, 2024.

Notes to Financial Statements and Other Disclosures

1. The attached consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. Except as disclosed in the Notes to the consolidated financial statements, the accounting policies and methods of computation followed in the financial statements for the year ended December 31, 2025 are the same as those followed in the annual financial statements of the Group for the year ended December 31, 2024.
2. Except for the sugar business, the operating activities of the Group are carried out uniformly over the calendar year. The sugar milling season of the Group's sugar subsidiaries is usually from November to June of the following year. Except for the milling season, there are no other unusual operating cycles or seasons during the year.
3. Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
4. There are no changes in estimates of amounts reported in the previous period that have material effects in the current period.
5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
7. The Group derives its revenues from the following reportable segments:

Real Estate Operations

This involves acquisition of land, planning and development of large-scale fully integrated residential communities as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This segment also involves operations and management of cinema and mall, property management and leasing of commercial and office spaces.

Hospitality Operations

This involves operation of hotels, including management of resorts, villas, golf course, service apartment and other services for the pleasure, comfort and convenience of guests in said establishments under its management.

Banking and Financial Services

This involves a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance. The business units in this segment consist of retail banking, corporate banking, consumer banking, and treasury and trust.

Power and Utility Operations

This involves operation of power plants and supply of power to off-takers and also includes retail electricity supply operations. This segment also involves maintenance, operation and management of waterworks system for distribution and supply of potable water to domestic, commercial, and industrial users.

Sugar Operations

This involves operation of agricultural lands for planting and cultivating farm products, operation of a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and selling of sugar and by-products.

Other Operations

This involves other operations of the Parent Company including FDCI, FBSC, and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while FBSC is engaged in providing computer and information technology services while SPI was incorporated to provide technical and business process services.

Financial information on the operations of these business segments as of and for the years ended December 31, 2025 and 2024 are summarized and included in the accompanying Notes to Consolidated Financial Statements.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2025 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.
10. There are no changes in contingent liabilities or contingent assets since December 31, 2025.
11. There are no material contingencies and any other events or transactions affecting the current period.
12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

	December 31		Increase (decrease)	
	2024	2023	Amount	%
REVENUES				
Real estate operations				
Sale of lots, condominium and residential units	₱17,567,000	₱16,094,806	₱1,472,194	9.1%
Mall and rental revenues	8,486,789	7,663,855	822,934	10.7%
Hospitality operations	3,763,329	2,856,543	906,786	31.7%
Banking and financial services	41,730,563	33,943,051	7,787,512	22.9%
Power and utility operations	24,397,973	17,207,202	7,190,771	41.8%
Sugar operations	5,815,205	5,027,067	788,138	15.7%
TOTAL REVENUES	101,760,859	82,792,524	18,968,335	22.9%
OTHER INCOME				
Real estate operations	2,026,362	1,647,576	378,786	23.0%
Hospitality operations	552,898	563,913	(11,015)	-2.0%
Banking and financial services	8,932,099	7,429,236	1,502,863	20.2%
Power and utility operations	130,235	358,236	(228,001)	-63.6%
Sugar operations	43,085	50,056	(6,971)	-13.9%
TOTAL OTHER INCOME	11,684,679	10,049,017	1,635,662	16.3%
TOTAL REVENUES AND OTHER INCOME	113,445,538	92,841,541	20,603,997	22.2%
COSTS				
Real estate operations				
Sale of lots, condo and residential units	7,754,859	8,534,325	(779,466)	-9.1%
Rental services	3,613,954	2,824,608	789,346	27.9%
Hospitality operations	2,526,342	1,827,843	698,499	38.2%
Banking and financial services	8,418,748	5,986,364	2,432,384	40.6%
Power operations	16,691,157	12,060,599	4,630,558	38.4%
Sugar Operations	4,741,794	4,061,398	680,396	16.8%
Other operations	591,785	518,016	73,769	14.2%
	44,338,639	35,813,153	8,525,486	23.8%
EXPENSES				
Real estate operations	9,309,880	7,217,548	2,092,332	29.0%
Hospitality operations	1,449,580	1,392,562	57,018	4.1%
Banking and financial services	32,855,465	27,907,904	4,947,561	17.7%
Power and utility operations	2,355,718	2,151,071	204,647	9.5%
Sugar operations	201,983	183,996	17,987	9.8%
Other operations	2,378,968	2,674,014	(295,046)	-11.0%
	48,551,594	41,527,095	7,024,499	16.9%
TOTAL COST AND EXPENSES	92,890,233	77,340,248	15,549,985	20.1%
INCOME BEFORE INCOME TAX	20,555,305	15,501,293	5,054,012	32.6%
PROVISION FOR INCOME TAX				
Current	3,895,854	3,482,679	413,175	11.9%
Deferred	961,098	(118,196)	1,079,294	913.1%
	4,856,952	3,364,483	1,492,469	44.4%
NET INCOME	₱15,698,353	₱12,136,810	₱3,561,543	29.3%
Attributable to:				
Equity holders of the parent	₱12,131,320	₱8,947,468	₱3,183,852	35.6%
Minority interest	3,567,033	3,189,342	377,691	11.8%
	₱15,698,353	₱12,136,810	₱3,561,543	29.3%
Basic/Diluted Earnings Per Share	₱1.403	₱1.035		

Revenues

Real Estate Operations - Sale of Lots, Condominium and Residential Units grew by 9.1% or ₱1,472.2 million, reaching ₱17,567.0 million. The increase was primarily driven by sales of ready-for-occupancy units and higher incremental percentage of completion for residential projects during the year.

Real Estate Operations - Mall and Rental Revenues improved by 10.7% or ₱822.9 million, totaling ₱8,486.8 million. Mall rentals growth was driven by gradual reduction in rental concessions, reinstatement of escalation rates and higher occupancy levels. Office leasing remained stable despite ongoing challenges related to flexible work arrangements and work from home trends and pre-termination from POGO tenants.

Hospitality Revenues rose by 31.7% or ₱906.8 million to ₱3,763.3 million, attributed to higher occupancy rates, increase average daily room rates, and growth from adjacent hospitality revenues such food and beverage and golf revenues.

Banking and Financial Services Revenues increased by 22.9% or ₱7,787.5 million, reaching ₱41,730.6 million, driven by higher interest income from consumer loans and fixed income securities.

Power and Utility increased by 41.8% or ₱7,190.8 million to ₱24,398.0 million in 2024, primarily driven by higher dispatch and contracted electricity.

Sugar Revenues went up by 15.7% or ₱788.1 million to ₱5,815.2 driven by increased sugar sales volume offsetting lower sugar average selling prices.

Other Income

Other Income - Real Estate Operations increased by 23.0% or ₱378.8 million to ₱2,026.4 million, driven by higher processing fees and interest income from installment contract receivables.

Other Income - Banking and Financial Services increased by 20.2% or ₱1,502.9 million to ₱8,932.1 million, driven by higher service fees, commission income, trading gains, miscellaneous income, and gains from the sale of foreclosed assets.

Other Income - Power and Utility Operations

Decreased by 63.6% or ₱228.0 million to ₱130.2 million due to lower interest income derived from trade receivables.

Other Income - Sugar Operations

Decreased by 13.9% or ₱7.0 million to ₱43.1 million due to lower scrap sales.

Costs

Costs of Sale of Lots, Condominium and Residential Units decreased by 9.1% or ₱779.5 million to ₱7,754.9 million, following the IFRIC adoption of non-capitalizing borrowing costs.

Costs of Mall and Rental Services went up by 27.9% or ₱789.4 million to ₱3,614.0 million due to higher direct operating expense, such as mall operations and utilities, due to improved business activities in the retail segment.

Costs of Hospitality Operations increased by 38.2% or ₱698.5 million to ₱2,526.3, driven by higher expenses for food and beverages, manpower, utilities, guest amenities, and other direct operating costs, all resulting from increased business volume.

Costs of Banking and Financial Services went up by 40.6% or ₱2,432.4 million due to higher volume and higher cost of funding for the period.

Costs of Power and Utility Operations increased by 38.4% or ₱4,630.6 million to ₱16,691.2 million primarily due to higher coal consumption.

Costs of Sugar Operation increased by 16.8% or ₱680.4 million to ₱4,741.8 million, driven by higher sales volume.

Costs of Other Operations increased by 14.2% or ₱73.8 million to ₱591.8 million, primarily due to translation adjustments for interest on foreign-currency-denominated bonds payable.

Expenses

Expenses from Real Estate Operations went up by 29.0% or ₱2,092.3 million to ₱9,309.9 million, mainly from non-capitalization of borrowing costs due to the first-time adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods, increase in the debt stock and average interest rates in 2024. This was further increased by higher commissions, sales generation activities, and salaries and wages of sellers.

Expenses from Banking and Financial Services went up by 17.7% or ₱4,947.6 million to ₱32,855.5 million, driven by higher provision for probable losses due to higher loan volumes, further increased by higher manpower costs, taxes and licenses, and depreciation and amortization.

Expenses from Power and Utility Operations increased by 9.5% or ₱204.6 million to ₱2,355.7 million, primarily due to an increase in provisions for probable losses.

Expenses from Sugar Operations increased by 9.8% or ₱18.0 million to ₱202.0 million, driven by higher interest expenses.

Expenses from Other Operations of other operations decreased by 11.0% or ₱295.0 million to ₱2,379.0 million, mainly due to impairment provisions in the previous year.

Provision for Income Tax

Increased by 44.4% or ₱1,492.5 million to ₱4,857.0 million. Provision for deferred tax and current income tax rose by 913.1% and 11.9%, respectively. This is from the increase in the Group's taxable net income.

Net Income

As a result of the foregoing, consolidated net income increased by 29.3% or ₱3,561.5 million to ₱15,698 million. Net income attributable to equity holders of the Parent increased by 35.6% or ₱3,183.9 million to ₱12,131.3 million, while net income attributable to non-controlling interest increased by 11.8% or ₱377.7 million to ₱3,567.0 million.

FINANCIAL CONDITION

As at December 31, 2024 Compared with As at December 31, 2023

	December 31 2024	December 31 2023	Increase (decrease)	
			Amount	%
ASSETS				
Cash and cash equivalents	₱52,317,373	₱48,962,146	₱3,355,227	6.9%
Loans and receivables				
Real estate operations	11,384,885	9,285,775	2,099,110	22.6%
Hospitality operations	396,137	247,570	148,567	60.0%
Financial and banking services	323,459,351	281,253,378	42,205,973	15.0%
Energy operations	4,789,083	4,861,962	(72,879)	-1.5%
Sugar operations	153,708	134,639	19,069	14.2%
Financial assets at fair value through profit or loss	9,174,275	4,112,322	5,061,953	123.1%
Financial assets at FVTOCI	29,983,609	19,411,425	10,572,184	54.5%
Investment securities at amortized cost	81,922,750	75,401,019	6,521,731	8.6%
Contract Assets	8,436,614	9,867,642	(1,431,028)	-14.5%
Real estate inventories	78,900,316	81,004,413	(2,104,097)	-2.6%
Coal, spare parts and other inventories	2,397,054	1,665,772	731,282	43.9%
Investment properties - net	103,641,040	98,240,278	5,400,762	5.5%
Property and equipment - net	51,890,809	49,253,884	2,636,925	5.4%
Investment in joint venture	2,010,839	1,907,136	103,703	5.4%
Deferred income tax assets - net	5,791,642	5,628,946	162,696	2.9%
Goodwill	10,381,152	10,381,152	—	0.0%
Other assets - net	36,649,611	33,314,574	3,335,037	10.0%
	₱813,680,248	₱734,934,033	₱78,746,215	10.7%

Assets

Total consolidated assets grew by 10.7% or ₱78.7 billion to ₱813.7 billion as of December 31, 2024.

The following are the significant changes in account balances from December 31, 2023 to December 31, 2024:

Cash and cash equivalents increased by 6.9% or ₱3.4 billion to ₱52.3 billion driven by Group's operations and increase in bills and acceptances payables offset by EW net investment acquisitions, fixed asset CAPEX and net debt payment.

Loans and receivables

Real estate operation increased by 22.6% or ₱2.1 billion to ₱11.4 billion driven by higher contracts receivable arising from real estate sales collateralized by the corresponding real estate properties sold.

Hospitality operation increased by 60.0% or ₱0.1 billion to ₱0.4 billion, driven by higher receivables from credit card companies, travel agents, and corporate guests, reflecting increased operations.

Financial and banking operation increased by 15.0% or ₱42.2 billion to ₱323.5 billion driven mainly by EW's consumer loans.

Energy operation decreased by 1.5% or ₱0.1 billion to ₱4.8 billion, driven by higher allowance for ECL.

Sugar operation increased by 14.2% driven mainly by advances to sugar planters pertaining to various incentives.

Financial assets at fair value through profit or loss increased by 123.1% or ₱5.1 billion to ₱9.2 billion, *Financial assets at fair value through other comprehensive income* increased by 54.5% or ₱10.6 billion to ₱30.0 billion, *Investment securities at amortized cost* increased by 8.6% or ₱6.5 billion to ₱81.9 billion, the general increase across EW's investment was mainly due to the combined growth in the portfolios of FVPL and FVOCI mainly on account of purchase of securities in line with conditions set on the business models.

Contract assets decreased by 14.5% or ₱1.4 billion to ₱8.4 billion, due to increased collections including receipt of bank takeouts while increases are primarily due to longer payment terms and new sales recognized during the year.

Coal, spare parts and other inventories increased by 43.9% or ₱0.7 billion to ₱2.49 billion, driven by higher inventories of spare parts, sugar, and molasses.

Investment properties - net increased by 5.5% or ₱5.4 billion to ₱103.6 billion, driven by increase from ongoing investment property construction and real estate inventory reclassifications which was offset by Group's depreciation.

Property and equipment increased by 5.4% or ₱2.6 billion to ₱51.9 billion, driven by increase from construction in progress offset by Group's depreciation.

Investment in joint venture increased by 5.4% or ₱0.1 billion to ₱2.0 billion, driven by share in net income of joint ventures.

Deferred income tax assets - net increased by 2.9% or ₱0.2 billion to ₱5.8 billion, due to higher accrual provisions within the Group.

Other assets - net went up by 10.0% or ₱3.3 billion to ₱33.6 billion, driven by higher advances to contractors and suppliers and prepaid expenses of the Group.

	December 31 2024	December 31 2023	Increase (decrease) Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	₱372,542,796	₱338,781,312	₱33,761,484	10.0%
Bills and acceptances payable	40,117,180	15,403,706	24,713,474	160.4%
Accounts payable and accrued expenses	53,901,380	46,888,946	7,012,434	15.0%
Contract Liabilities	3,156,425	2,996,852	159,573	5.3%
Long-term debt	137,331,240	132,371,944	4,959,296	3.7%
Income tax payable	439,461	488,470	(49,009)	-10.0%
Retirement Liabilities	1,660,444	1,575,028	85,416	5.4%
Lease liability	9,042,566	8,454,337	588,229	7.0%
Deferred income tax liabilities - net	9,108,250	10,281,563	(1,173,313)	-11.4%
Total Liabilities	627,299,742	557,242,158	70,057,584	12.6%

Liabilities

Total consolidated liabilities increased by 12.6% or ₱70.1 billion to ₱627.3 billion.

The following are the significant changes in liability accounts from December 31, 2023 to December 31, 2024:

Deposit liabilities increased by 10.0% or ₱33,761.5 million from growth in CASA, time deposits, and FCY deposits.

Bills and acceptances payable grew by 160.4% or ₱24,713.5 million to ₱40,117.2 million mainly from higher volume of interbank borrowings and repo borrowings.

Accounts payable, accrued expenses increased by 15.0% or ₱7,012.4 million to ₱53,901.4 million, driven by the Group's increased deposits from tenants, retention fees, and other operating payables.

Contract liabilities increased 5.3% or ₱159.6 million to ₱3,156.4 million due to real estate's construction in progress for the accounts already qualified for revenue recognition.

Long term debt increased 3.7% or ₱4,959.3 million to ₱137,331.2 million, mainly from net debt availment from FLI (P3.4bn), FAI (P1.1bn), FHC (P0.5bn) and FDC (P0.4bn) offset by net settlements of FDCUI (P0.7bn).

Income tax payable decreased by 10.0% or ₱49.0 million to ₱439.5 million, despite higher taxable income, due to adjustments in tax provisions and timing differences.

Retirement liabilities increased by 5.4% or ₱0.1 billion to ₱1.7 billion due to a higher number of employees and adjustments in actuarial assumptions.

Lease liability increased by 7.0% or ₱0.6 billion to ₱9.0 billion due to the recognition of new lease agreements.

Deferred income tax liabilities - net decreased by 11.4% or ₱1.2 billion to ₱9.1 billion, due to lower temporary differences related to capitalized borrowing costs.

	December 31 2024	December 31 2023	Increase (decrease)	
			Amount	%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock	₱9,319,872	₱9,319,872	₱—	0.0%
Treasury stock	(3,614,474)	(3,614,474)	—	0.0%
Additional paid-in capital	11,900,015	11,900,015	—	0.0%
Retained earnings	127,792,244	119,711,533	8,080,711	6.8%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	(547,810)	(302,556)	(245,254)	-81.1%
Share in other components of equity of associate	724	724	—	0.0%
Remeasurement gains (losses) on retirement plans	(214,373)	(176,065)	(38,308)	-21.8%
Translation adjustment	121,161	201,167	(80,006)	-39.8%
Total	144,757,359	137,040,216	7,717,143	5.6%
Noncontrolling interest	41,623,147	40,651,659	971,488	2.4%
Total Equity	186,380,506	177,691,875	8,688,631	4.9%
TOTAL LIABILITIES AND EQUITY	₱813,680,248	₱734,934,033	₱78,746,215	10.7%

Equity

On April 26, 2024, the FDC's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024 and paid on June 11, 2024.

On April 28, 2023, the FDC's BOD approved the declaration and payment of cash dividends of ₱0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

On April 29, 2022, FDC's BOD approved the declaration and payment of cash dividends of ₱0.07014 per share for every common share of record as of May 20, 2022, payable on June 14, 2022.

The Group has commitments for capital expenditures for the project developments of the real estate segment, the requirement of the sugar manufacturing subsidiaries, the development and construction of solar rooftop facilities, and other utility projects, the intended construction and management of various hotels, and the bank's expansion and implementation of IT projects, which could be adequately covered by the operating cash flow and availment of medium and long term loans.

Performance Indicators

	As of and for the year ended			
	December 31, 2024		December 31, 2023	
Earnings Per Share - Basic (EPS)	<u>₱1.40</u>	/share	<u>₱1.03</u>	/share
Net Income (Attributable to Equity Holders of the Parent Company)				
Weighted Average Number of Outstanding Shares				
Price Earnings Ratio (PE Ratio)	3.53	Times	5.19	Times
Closing Price ⁽¹⁾				
EPS				
Return on Revenue	14%		13%	
Total Net Income				
Total Revenue				
Return on Equity (Average)	9%		7%	
Total Net Income				
Average Total Equity				
Debt to Equity Ratio				
a) Long-term and Short-term Debt	0.74	:1	0.74	:1
Total Equity				
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement				
Obligation and Finance Lease Liabilities	1.10	:1	1.09	:1
Total Equity				
Current Ratio				
a) Including EW				
Current Assets	0.69	:1	0.80	:1
Current Liabilities				
b) Excluding EW				
Current Assets	2.12	:1	2.70	:1
Current Liabilities				
Quick Ratio – excluding EW	0.99	:1	1.17	:1
Current Assets – Inventories				
Current Liabilities				

	As of and for the year ended			
	December 31, 2024		December 31, 2023	
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	4.72	Times	5.01	Times
<u>EBITDA</u>				
Total Interest Expense ⁽²⁾				
Assets to Equity Ratio	4.37	:1	4.14	:1
<u>Total Assets</u>				
Total Equity				

(2) Closing prices at December 27, 2024 and December 29, 2023.

Notes to Financial Statements and Other Disclosures

- The attached consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. Except as disclosed in the Notes to the consolidated financial statements, the accounting policies and methods of computation followed in the financial statements for the year ended December 31, 2024 are the same as those followed in the annual financial statements of the Group for the year ended December 31, 2023.
- Except for the sugar business, the operating activities of the Group are carried out uniformly over the calendar year. The sugar milling season of the Group's sugar subsidiaries is usually from November to June of the following year. Except for the milling season, there are no other unusual operating cycles or seasons during the year.
- Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
- There are no changes in estimates of amounts reported in the previous period that have material effects in the current period.
- Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
- There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
- The Group derives its revenues from the following reportable segments:

Real Estate Operations

This involves acquisition of land, planning and development of large-scale fully integrated residential communities as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This segment also involves operations and management of cinema and mall, property management and leasing of commercial and office spaces.

Hospitality Operations

This involves operation of hotels, including management of resorts, villas, golf course, service apartment and other services for the pleasure, comfort and convenience of guests in said establishments under its management.

Banking and Financial Services

This involves a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance. The business units in this segment consist of retail banking, corporate banking, consumer banking, and treasury and trust.

Power and Utility Operations

This involves operation of power plants and supply of power to off-takers and also includes retail electricity supply operations. This segment also involves maintenance, operation and management of waterworks system for distribution and supply of potable water to domestic, commercial, and industrial users.

Sugar Operations

This involves operation of agricultural lands for planting and cultivating farm products, operation of a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and selling of sugar and by-products.

Other Operations

This involves other operations of the Parent Company including FDCI, FBSC, and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while FBSC is engaged in providing computer and information technology services while SPI was incorporated to provide technical and business process services.

Financial information on the operations of these business segments as of and for the years ended December 31, 2024 and 2023 are summarized and included in the accompanying Notes to Consolidated Financial Statements.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2024 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.
10. There are no changes in contingent liabilities or contingent assets since December 31, 2024.
11. There are no material contingencies and any other events or transactions affecting the current period.
12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

	December 31		Increase (decrease)	
	2023	2022	Amount	%
REVENUES				
Real estate operations				
Sale of lots, condominium and residential units	16,094,806	13,314,664	2,780,142	20.9%
Mall and rental revenues	7,663,855	6,732,189	931,666	13.8%
Hospitality operations	2,856,543	1,928,979	927,564	48.1%
Financial and banking services	33,943,051	25,652,661	8,290,390	32.3%
Power and utility operations	17,207,202	12,899,789	4,307,413	33.4%
Sugar operations	5,027,067	4,280,178	746,889	17.4%
TOTAL REVENUES	82,792,524	64,808,460	17,984,064	27.7%
OTHER INCOME				
Real estate operations	1,647,576	1,180,709	466,867	39.5%
Hospitality operations	563,913	4,195	559,718	13342.5%
Financial and banking services	7,429,236	4,912,360	2,516,876	51.2%
Power and utility operations	358,236	139,059	219,177	157.6%
Sugar operations	50,056	78,809	(28,753)	-36.5%
TOTAL OTHER INCOME	10,049,017	6,315,132	3,733,885	59.1%
TOTAL REVENUES AND OTHER INCOME	92,841,541	71,123,592	21,717,949	30.5%
COSTS				
Real estate operations				
Sale of lots, condo and residential units	8,534,325	7,521,107	1,013,218	13.5%
Rental services	2,824,608	2,366,540	458,068	19.4%
Hospitality operations	1,827,843	1,334,216	493,627	37.0%
Financial and banking services	5,986,364	2,593,840	3,392,524	130.8%
Power operations	12,060,599	8,700,791	3,359,808	38.6%
Sugar Operations	4,061,398	3,554,776	506,622	14.3%
Other operations	518,016	470,272	47,744	10.2%
	35,813,153	26,541,542	9,271,611	34.9%
EXPENSES				
Real estate operations	7,217,548	6,419,775	797,773	12.4%
Hospitality operations	1,392,562	1,192,396	200,166	16.8%
Financial and banking services	27,907,904	22,097,839	5,810,065	26.3%
Power and utility operations	2,151,071	2,264,496	(113,425)	-5.0%
Sugar operations	183,996	160,302	23,694	14.8%
Other operations	2,674,014	1,755,697	918,317	52.3%
	41,527,095	33,890,505	7,636,590	22.5%
TOTAL COST AND EXPENSES	77,340,248	60,432,047	16,908,201	28.0%
INCOME BEFORE INCOME TAX	15,501,293	10,691,545	4,809,748	45.0%
PROVISION FOR INCOME TAX				
Current	3,482,679	2,059,068	1,423,611	69.1%
Deferred	(118,196)	329,817	(448,013)	-135.8%
	3,364,483	2,388,885	975,598	40.8%
NET INCOME	12,136,810	8,302,660	3,834,150	46.2%
Attributable to:				
Equity holders of the parent	8,947,468	5,650,674	3,296,794	58.3%
Minority interest	3,189,342	2,651,986	537,356	20.3%
	12,136,810	8,302,660	3,834,150	46.2%
Basic/Diluted Earnings Per Share	1.035	0.653		

Revenues

Real Estate Operations - Sale of Lots, Condominium and Residential Units

Sale of lots, condominium and residential units rose by 20.9% or ₱2,780.1 million to ₱16,094.8 million. The increase was primarily attributed to higher construction percentage-of-completion achieved during the year.

Real Estate Operations - Mall and Rental Revenues

Mall and rental revenues improved by 13.8% or ₱931.7 million to ₱7,662.1 million due to gradual reduction of rental concessions, reinstatement of escalation rates and increased occupancy levels.

Hospitality Revenues

Hospitality revenues grew by 48.1% or ₱927.6 million to ₱2,856.5 million, due to higher occupancy and room rates and higher food and beverage revenues, as travel restrictions slowly eased down and borders reopened for tourism and leisure activities.

Banking and Financial Services Revenues

Revenues or interest income from banking and financial services (the Bank) was higher by 32.3% or ₱8,290.4 million to ₱33,943.1 million, mainly due to interest income growth from increase in consumer loans and high-yielding fixed income securities. Likewise, non-interest income grew from higher service fees and commission income, trading securities gain and gains from sale of foreclosed assets.

Power and Utility Revenues

Revenues from the power and utility operations increased by 33.4% or ₱4,307.4 million from ₱12,899.8 million in 2022 to ₱17,207.2 million in 2023 mainly from higher average selling price and higher dispatch and contracted electricity.

Sugar Revenues

Revenues from the sugar business went up by 17.4% or ₱746.9 million to ₱5,027.1 million from the increase in sugar prices.

Other Income

Other Income - Real Estate Operations

Other income from real estate operations increased by 39.5% or ₱466.9 million from ₱1,364.0 million from higher income generated from processing fees and interest income from installment contract receivables for in-house financing scheme.

Other Income - Hospitality Operations

Other income from hospitality business increased by 13,342.5% or ₱559.7 million to ₱563.9 million primarily from insurance proceeds from business interruption in MSSI.

Other Income - Banking and Financial Services

Banking and financial services' other income increased by 51.2% or ₱2,516.9 million to ₱7,492.2 million due to higher service charges and fees from loan-related fees driven by improving volumes; trading income higher from securities trading, and higher gains on real and other properties acquired (ROPA).

Other Income - Power and Utility Operations

Other income from power and utility segment increased by 157.6% or ₱219.2 million to ₱358.2 million due to higher interest income derived from trade receivables.

Other Income - Sugar Operations

Other income from sugar operations decreased by 36.5% or ₱28.8 million to ₱50.1 million due to lower scrap sales.

Costs

Costs of Sale of Lots, Condominium and Residential Units

Costs of sale of lots, condominium and residential units increased by 13.8% or ₱1,013.2 million to ₱8,562.0 million due to higher real estate revenues realized during the year.

Costs of Mall and Rental Services

Costs of mall and rental services went up by 19.4% or ₱458.1 million to ₱2,824.6 million due to higher direct operating expense, such as taxes and utilities, during the year on account of improving business activities in the retail segment.

Costs of Hospitality Operations

Hospitality cost of operations increased by 37.0% or ₱493.6 million to ₱1,827.8 million due to higher cost of food and beverage, manpower costs, utilities, guest amenities and other direct expenses of operating departments which were all related to the increase in business volume, with the easing of travel restrictions, as aforementioned.

Costs of Banking and Financial Services

Costs of banking and financial services went up by 130.8% or ₱3,392.5 million from ₱2,593.8 million in 2022 to ₱5,986.4 million in 2023 due to higher manpower expenses, systems/software maintenance, marketing programs, cards expenses and professional fees.

Costs of Power and Utility Operations

Costs of power and utility operations increased by 38.6% or ₱3,359.8 million to ₱12,060.6 million primarily due to higher fuel cost.

Costs of Sugar Operation

Costs of sugar operations increased by 14.3% or ₱506.6 million to ₱4,061.4 million despite lower sales volume due to higher operating costs such as labor, fertilizers, and higher input prices.

Costs of Other Operations

Costs of other operations increased by 10.2% or ₱47.7 million to ₱518.0 million due to translation adjustment for interest on foreign-currency denominated bonds payable.

Expenses

Real Estate Operations

Expenses of real estate operations went up by 12.4% or ₱797.8 million to ₱7,217.5 million due to higher manpower costs, taxes and licenses, and increased repairs and maintenance expenses for managed projects. This was further increased by higher commissions and local and international branch sale offices to generate sales.

Hospitality Operations

Expenses of the hospitality business increased by 16.8% or ₱200.2 million from to ₱1,392.6 million due to higher manpower costs, utilities, outside services and credit card commission.

Banking and Financial Services

Expenses of the banking and financial services went up by 26.3% or ₱5,810.1 million to ₱27,907.9 million due to higher manpower and IT-related expenses. Provisions for losses also increased due to the combined impact of higher loan volumes.

Power and Utility Operations

Power and utility segment's expenses decreased by 5.0% or ₱113.4 million to ₱2,151.1 million due to decrease in interest expense from loans.

Sugar Operations

Expenses of the sugar business increased by 14.8% or ₱23.7 million from to ₱184.0 million due to higher interest expense and taxes and licenses.

Other Operations

Expenses of other operations went up by 52.3% or ₱918.3 million to ₱2,674.0 million due to higher interest expenses, external services and additional manpower and the impairment of the f(Dev)'s investment and advances to Investree Philippines amounting to ₱106.8 million.

Provision for Income Tax

Provision for income tax increased by 40.8% or ₱975.6 million to ₱3,364.5 million. Provision for deferred tax and current income tax rose by 69.1% and decreased by 135.8%, respectively. This is from the increase in the Group's taxable net income.

Net Income

As a result of the foregoing, consolidated net income increased by 46.2% or ₱3,834.2 million to ₱12,136.8 million. Net income attributable to equity holders of the Parent increased by 58.3% or ₱3,296.8 million to ₱8,947.5 million, while net income attributable to noncontrolling interest increased by 20.3% or ₱537.4 million to ₱2,652.0 million.

FINANCIAL CONDITION

As at December 31, 2023 Compared with As at December 31, 2022

	December 31		Increase (decrease)	
	2023	2022	Amount	%
ASSETS				
Cash and cash equivalents	48,962,146	71,311,956	(22,349,810)	-31.3%
Loans and receivables				
Real estate operations	9,285,775	9,739,631	(453,856)	-4.7%
Hospitality operations	247,570	121,924	125,646	103.1%
Financial and banking services	281,253,378	241,976,635	39,276,743	16.2%
Energy operations	4,861,962	3,679,767	1,182,195	32.1%
Sugar operations	134,639	101,803	32,836	32.3%
Financial assets at fair value through profit or loss	4,112,322	1,958,310	2,154,012	110.0%
Financial assets at FVTOCI	19,411,425	17,377,325	2,034,100	11.7%
Investment securities at amortized cost	75,401,019	63,546,191	11,854,828	18.7%
Contract Assets	9,867,642	7,609,532	2,258,110	29.7%
Real estate inventories	81,004,413	79,659,361	1,345,052	1.7%
Coal, spare parts and other inventories	1,665,772	2,316,669	(650,897)	-28.1%
Investment properties - net	98,240,278	95,503,366	2,736,912	2.9%
Property and equipment - net	45,103,226	44,716,866	386,360	0.9%
Investment in joint venture	1,907,136	1,948,608	(41,472)	-2.1%
Deferred income tax assets - net	5,628,946	5,167,717	461,229	8.9%
Right Of Use	4,150,658	4,566,463	(415,805)	-9.1%
Goodwill	10,381,152	10,381,152	-	0.0%
Other assets - net	33,314,574	25,137,333	8,177,241	32.5%
	734,934,033	686,820,609	48,113,424	7.0%

Assets

Total consolidated assets grew by 7.0% or ₱48,113.4 million to ₱734,934.0 million as of December 31, 2023.

The following are the significant changes in account balances from December 31, 2022 to December 31, 2023:

Cash and cash equivalents decreased by 31.3% or ₱22,349.8 million to ₱48,962.1 million as the Bank's funds were placed in higher yielding assets.

Loans and receivables of the hospitality segment increased by 103.1% or ₱125.6 million to ₱247.6 million due to higher revenues recognized.

Loans and receivables of the banking and financial services increased by 16.2% or ₱39,276.7 million to ₱281,253.4 million mainly ascribed to higher consumer lending driven by the improvement in teachers' loan and credit cards.

Loans and receivables of the power and utility operations went up by 32.1% or ₱1,182.2 million to ₱4,862.0 million. Higher level of trade receivables was due to higher pass-through fuel cost and longer average collection period.

Loans and receivables of the sugar business increased by 32.3% or ₱32.8 million to ₱134.6 million brought about by additional advances extended to sugar planters.

Financial assets at fair value through profit or loss increased by 110.0% or ₱2,154.0 million to ₱4,112.3 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Financial assets at fair value through other comprehensive income increased by 11.7% or ₱2,034.1 million to ₱19,453.5 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Investment securities at amortized cost increased by 18.7% or ₱11,854.8 million to ₱75,401.0 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Contract assets increased by 29.7% or ₱2,258.1 million to ₱9,867.6 million mainly due to extended payment terms granted to buyers and new sales during the year.

Coal, spare parts and other inventories decreased by 28.1% or ₱650.9 million to ₱1,665.8 million due to decreased coal and sugar and molasses inventories.

Deferred income tax assets - net increased by 8.9% or ₱461.2 million to ₱5,628.9 million from decrease in unrealized foreign exchange gains of the Group.

Right-of-use assets decreased by 9.1% or ₱415.8 million to ₱4,150.7 million primarily attributable to amortization of the Group.

Other assets went up by 32.5% or ₱8,177.2 million to ₱33,314.6 million due to capital expenditures on BTO rights, increase in restricted cash and repossessed assets.

	December 31		Increase (decrease)	
	2023	2022	Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	338,781,312	312,374,479	26,406,833	8.5%
Bills and acceptances payable	15,403,706	6,761,456	8,642,250	127.8%
Accounts payable and accrued expenses	46,888,946	40,303,983	6,584,963	16.3%
Contract Liabilities	2,996,852	3,923,011	(926,159)	-23.6%
Long-term debt	132,371,944	137,224,888	(4,852,944)	-3.5%
Income tax payable	488,470	248,839	239,631	96.3%
Retirement Liabilities	1,575,028	1,671,162	(96,134)	-5.8%
Lease liability	8,454,337	8,507,757	(53,420)	-0.6%
Deferred income tax liabilities - net	10,281,563	10,132,992	148,571	1.5%
Total Liabilities	557,242,158	521,148,567	36,093,591	6.9%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock	9,319,872	9,319,872	-	0.0%
Treasury stock	(3,614,474)	(3,614,474)	-	0.0%
Additional paid-in capital	11,900,015	11,900,015	-	0.0%
Retained earnings	119,711,533	111,329,156	8,382,377	7.5%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	(302,556)	(1,326,191)	1,023,635	77.2%
Share in other components of equity of associate	724	724	-	0.0%
Remeasurement gains (losses) on retirement plans	(176,065)	(186,845)	10,780	5.8%
Translation adjustment	201,167	(159,838)	361,005	225.9%
Total	137,040,216	127,262,419	9,777,797	7.7%
Noncontrolling interest	40,651,659	38,409,623	2,242,036	5.8%
Total Equity	177,691,875	165,672,042	12,019,833	7.3%
TOTAL LIABILITIES AND EQUITY	734,934,033	686,820,609	48,113,424	7.0%

Liabilities

Total consolidated liabilities increased by 6.9% or ₱39,093.6 million to ₱557,242.2 million.

The following are the significant changes in liability accounts from December 31, 2022 to December 31, 2023:

Deposit liabilities increased by 8.5% or ₱26,406.8 million from growth of dollar deposits in terms of increase in volume and foreign exchange revaluation.

Bills and acceptances payable grew by 127.8% or ₱8,642.3 million to ₱15,403.7 million mainly from the higher volume of repo borrowings to support funding in FCDU books including purchase of FVOCI and Investment Securities at Amortized Cost.

Accounts payable, accrued expenses and other liabilities increased by 16.3% or ₱6,585.0 million to ₱46,888.9 million due to higher level of year-end accruals and higher volume of payables to contractors, vendors and suppliers.

Contract liabilities decreased 23.6% or ₱926.2 million to ₱2,996.9 million due to real estate's construction in progress for the accounts already qualified for revenue recognition.

Income tax payable increased by 96.3% or ₱239.6 million to ₱488.5 million due to higher taxable income for the year.

Retirement liabilities decreased by 5.8% or ₱96.1 million to ₱1,575.0 million due to funding of the Group's plan assets.

Equity

On April 28, 2023, the FDC's BOD approved the declaration and payment of cash dividends of ₱0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

On April 29, 2022, FDC's BOD approved the declaration and payment of cash dividends of ₱0.07014 per share for every common share of record as of May 20, 2022, payable on June 14, 2022.

On April 30, 2021, FDC's BOD approved the declaration and payment of cash dividends of ₱0.098 per share for every common share of record as of May 21, 2021. This was paid on June 15, 2021.

The Group has commitments for capital expenditures for the project developments of the real estate segment, the requirement of the sugar manufacturing subsidiaries, the development and construction of solar rooftop facilities, and other utility projects, the intended construction and management of various hotels, and the bank's expansion and implementation of IT projects, which could be adequately covered by the operating cash flow and availment of medium and long term loans.

Performance Indicators

	As of And For The Year Ended December 31, 2023		As of And For The Year Ended December 31, 2022	
Earnings Per Share - Basic (EPS)	₱1.035	/share	₱0.653	/share
Net Income (Attributable to Equity Holders of the Parent Company)				
Weighted Average Number of Outstanding Shares				
Price Earnings Ratio (PE Ratio)	5.19	Times	9.83	Times
Closing Price ⁽¹⁾				
EPS				
Return on Revenue	13%		12%	
Total Net Income				
Total Revenue				
Return on Equity (Average)	7%		5%	
Total Net Income				
Average Total Equity				
Assets to Equity Ratio	4.14	:1	4.15	:1
Total Assets				
Total Equity				
Debt to Equity Ratio				
a) Long-term and Short-term Debt	0.74	:1	0.83	:1
Total Equity				
	1.09	:1	1.16	:1

	As of And For The Year Ended <u>December 31, 2023</u>		As of And For The Year Ended <u>December 31, 2022</u>	
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement <u>Obligation and Finance Lease Liabilities</u>				
Total Equity				
Current Ratio				
a) Including EW				
<u>Current Assets</u>	0.80	:1	0.71	:1
Current Liabilities				
b) Excluding EW				
<u>Current Assets</u>	2.70	:1	2.18	:1
Current Liabilities				
Quick Ratio – excluding EW	1.17	:1	0.65	:1
<u>Current Assets – Inventories</u>				
Current Liabilities				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	5.01	Times	4.42	Times
<u>EBITDA</u>				
Total Interest Expense ⁽²⁾				

(3) Closing prices at December 29, 2023 and December 29, 2022.

(4) Excluding financial liabilities on lease contract

Notes to Financial Statements and Other Disclosures

- The attached consolidated financial statements are prepared in compliance with PFRS. Except as disclosed in the Notes to the consolidated financial statements, the accounting policies and methods of computation followed in the financial statements for the year ended December 31, 2023 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2022.
- Except for the sugar business, the operating activities of the Company are carried out uniformly over the calendar year. The sugar milling season of the Company's sugar subsidiaries is usually from November to June of the following year. Except for this milling season, there are no other unusual operating cycles or seasons during the year.
- Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- There are no changes in estimates of amounts reported in the previous period that have material effects in the current period.

5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
7. The Company derives its revenues from the following reportable segments:

Real Estate Operations

This involves acquisition of land, planning and development of large-scale fully integrated residential communities as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This segment also involves operations and management of cinema and mall, property management and leasing of commercial and office spaces.

Hospitality Operations

This involves operation of hotels, including management of resorts, villas, golf course, service apartment and other services for the pleasure, comfort and convenience of guests in said establishments under its management.

Banking and Financial Services

This involves a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance. The business units in this segment consist of retail banking, corporate banking, consumer banking, and treasury and trust.

Power and Utility Operations

This involves operation of power plants and supply of power to off-takers and also includes retail electricity supply operations. This segment also involves maintenance, operation and management of waterworks system for distribution and supply of potable water to domestic, commercial, and industrial users.

Sugar Operations

This involves operation of agricultural lands for planting and cultivating farm products, operation of a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and selling of sugar and by-products.

Other Operations

This involves other operations of the Parent Company including FDCI, CTI, FDEV and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while CTI is engaged in providing computer and information technology services FDEV is organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

Financial information on the operations of these business segments as of and for the years ended December 31, 2022 and 2021 are summarized and included in the accompanying Notes to Consolidated Financial Statements.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2023 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings

and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.

10. There are no changes in contingent liabilities or contingent assets since December 31, 2023.
11. There are no material contingencies and any other events or transactions affecting the current period.
12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.
17. On known trends, events, or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations, the Company considers the following:

Seasonality

Except for the significant impact of COVID-19 pandemic to the Company's operations starting March 2020, there were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this SEC Form 17-A.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The auditing firm of Sycip, Gorres, Velayo & Co. (“SGV & Co.”) is the current independent auditor of the Company. The Company has not had any disagreement with SGV & Co. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The Company, in compliance with SRC Rule 68(3)(b)(iv) relative to the seven-year rotation requirement of its external auditors has designated Mr. Martin Guantes as its engagement partner starting CY 2024. Thus, Mr. Guantes is qualified to act as such until the year 2031.

The same external auditor will be recommended for re-appointment at the scheduled annual stockholders’ meeting. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

Audit and Audit-Related Fees

1. The aggregate fees billed to the Group, including associate and joint ventures, for professional services rendered by the external auditor for the examination of the annual financial statements amounted to **₱4.8 million** and **₱20.9 million**, net of VAT in 2025 and 2024, respectively.
2. In 2025, additional fees of the external auditor for the review engagement in relation to FDC’s preferred shares issuance and advisory services amounted **₱10.0 million** and **₱1.2 million**, respectively. In 2024, additional fees of the external auditor for FDC and a subsidiaries’ bond issuance amounted to **₱10.2 million**.

Tax Fees

The fees billed to the Group for tax services which pertained to compliance review amounted to **₱2.7 million** and **₱0.7 million** in 2025 and 2024, respectively.

All Other Fees

There are no other fees billed in each of the last 2 years for products and services provided by the external auditor, other than the services reported under items mentioned above.

The Audit and Risk Management Oversight Committee, based on the recommendation by the Internal Audit and Management, evaluates the need for such professional services and approves the engagement and the fees to be paid for the services.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Directors and Principal Officers

The members of the Board serve for a term of one (1) year and until their successors shall have been duly elected and qualified. The business experience of the directors and officers of the Company named below covers at least the past five (5) years.

The following are the current directors and executive officers of FDC:

Jonathan T. Gotianun <i>Chairperson of the Board and Director</i>	Mr. Gotianun, 72, Filipino, was first elected as Director of FDC on 09 July 1993. He also serves as Chairman of the Board and Directors of Filinvest Land, Inc. and East West Banking Corporation, both publicly-listed companies. He is also the Chairman of the Board of Davao Sugar Central Co., Inc.; Cotabato Sugar Central Co., Inc., and FDC Utilities, Inc. (“FDCUI”) and its subsidiary power companies. He previously served as Director and Senior Vice President of Family Bank & Trust Co. (“Family Bank”) until 1984. He obtained his Master’s Degree in Business Administration from Northwestern University in 1976.
Lourdes Josephine Gotianun-Yap <i>Vice-Chairperson and Director</i>	Mrs. Yap, 70, Filipino, was first elected as Director of FDC on 30 March 1990. She is also the Vice Chairperson of FLI, and a Director of EWBC, all publicly-listed companies. She is the Chairperson of FAI, a Director of FDCUI and in other companies within the Filinvest Group. Mrs. Yap is a trailblazer in the real estate industry, making history as the first female recipient of the Real Estate Personality award at Property Guru's Philippines Property Awards. Her expertise in the field have earned her recognition as a prominent figure who sets the bar high for women in the real estate industry. She holds a Master's Degree in Business Administration from the University of Chicago, which she obtained in 1977.
Rhoda A. Huang <i>President, Chief Executive Officer and Director</i>	Ms. Huang, 63, Filipino, was elected Director of FDC and member of the Executive Committee on July 26, 2023. She was subsequently appointed as President & CEO of the Company effective August 1, 2023. She was the former President of BPI Capital Corporation. Prior to joining BPI Capital Corporation, Ms. Huang was Credit Suisse Philippines Branch Head of Investment Banking, with responsibility for coverage of Philippine corporates, financial institutions, and the sovereign. Her experience also includes 19 years with JPMorgan Chase and its predecessor institutions with responsibility of the firm’s major corporate relationships. She brings more than thirty (30) years of experience in investment banking. She completed her bachelor’s degree in business administration and accountancy at the University of the Philippines and is a Certified Public Accountant.
Michael Edward T. Gotianun <i>Vice-President and Director</i>	Mr. Gotianun, 68, Filipino, was first elected as a Director of FDC on 24 October 2017. He is also a Director of Filinvest Land, Inc., Filinvest Hospitality Corporation, FDC Utilities Inc. and Filinvest Alabang Inc. He served as the general manager of Filinvest Technical Industries from 1987 to 1990 and as loans officer at Family Bank from 1979 to 1984. He obtained his Bachelor’s degree in Business Management from the University of San Francisco in 1979.
Francis Nathaniel C. Gotianun <i>First Senior Vice President and</i>	Mr. Gotianun, 42, Filipino, is the First Senior Vice-President of Filinvest Hospitality Corporation, a subsidiary of FDC, the

<i>Director</i>	primary purpose of which is to evaluate, plan, develop and optimize potential and current hospitality investments of the Filinvest Group. He serves as a director of Filinvest Mimosa, Inc. and as the President and CEO of The Palms Country Club, Inc. He also serves as a Director of Filinvest Land, Inc. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's in Business Administration degree in IESE Business School – University of Navarra in 2010.
Isabelle Therese G. Yap <i>Director</i>	Ms. Yap, 37, is currently part of FDC's Board and Executive Director and Vice President, Chief Strategy & Transformation Officer of East West Banking Corporation. She is also a director of A. L. Gotianun Inc. and Andremerc Inc. A digital native, she helped spearhead the launch of KOMO, a digital banking service under East West Bank. She was in the Management Associate Program at Singapore Telecommunications (SingTel) and worked as a Consultant for McKinsey and Co. She graduated <i>cum laude</i> with a degree in Business Management, double major Finance and Marketing from the Singapore Management University. She holds an MBA Degree from Harvard Business School.
Virginia T. Obcena <i>Lead Independent Director</i>	Ms. Obcena, 78, Filipino, was first elected as an independent director of FDC on 29 April 2016. She is also an Independent Director of Filinvest REIT Corp. She was a former member of the Panel of Conciliators of the International Centre for Settlement of Investment Disputes of the World Bank. She served as independent director and head of the Audit Committee of the Capital Markets Integrity Corporation. She was a former partner, member of the management committee and head of quality and risk management at SGV. She obtained her Bachelor of Science in Business Administration degree, Magna cum Laude, at the University of the East and her Master in Business Administration degree at the University of the Philippines. She is a certified public accountant.

Marievic G. Ramos-Añonuevo <i>Independent Director</i>	Ms. Añonuevo, 68, Filipino, was elected as an independent director of FDC on 26 April 2024. Ms. Añonuevo was a senior partner at SyCip Salazar Hernandez & Gatmaitan, until her retirement in August 2022. With 40 years of law practice, she has acquired substantial experience advising major local and foreign clients in the fields of banking, project finance, privatization, infrastructure, power and energy, foreign investments, mergers and acquisitions, corporate rehabilitation and restructuring, securities and land acquisition and development. Ms. Añonuevo serves as Corporate Secretary, Trustee and Vice President of Marubeni Scholarship Foundation, Inc. from 1989 to present. She also served as Corporate Secretary and Trustee of Friends of Hope, Inc. from 2012 to 2020. She is also the Corporate Secretary and Trustee of Breaking Free Foundation Inc., whose advocacy is to assist women and children who are victims of domestic violence. She received her Bachelor of Science in Business Economics and Bachelor of Laws degrees from the University of the Philippines and was admitted to the Bar in 1983.
Mina C. Figueroa <i>Independent Director</i>	Ms. Figueroa, 69, Filipino, was elected to sit as a third independent director. Ms. Figueroa started her career in Sycip, Gorres, Velayo, and Co. in 1977. She worked from 1979 to 1989 for the treasury department of the Central Bank of the Philippines (now Bangko Sentral ng Pilipinas). She joined the Bureau of Treasury as Deputy Treasurer in 2001 and was appointed Treasurer of the Philippines in 2004 where she was responsible for the daily operations of the Philippine Treasury. After her stint with the government, Ms. Figueroa served as consultant to USAID and Credit Suisse (Hongkong), Ltd. in various projects of the government. She served as an independent director of Equicom Savings Bank until 2021. She is currently an independent director for Philippines Ratings Services Corp. and for Credit Suisse Securities (Phils.) Inc. which has ceased operations and is undergoing liquidation. She received her Bachelor of Science in Commerce, Major in Accounting, from the University of Santo Tomas in 1976. She is a Certified Public Accountant.
Ysmael V. Baysa <i>Chief Operations Officer</i>	Mr. Baysa, 70, Filipino, has worked in the consumer sector in the fields of Accounting and Finance. He has a wealth of experience working on the local and international operations of Procter & Gamble (P&G) and Jollibee Foods Corporation (JFC). At P&G, he occupied various local and regional positions, the most notable of which was as Head of its Finance function for the Philippines, Malaysia and Singapore. More recently, he was the Chief Finance Officer of JFC, one of Asia's largest restaurant companies. He graduated with a degree in Bachelor of Science in Business Administration (Accountancy) from Manuel S. Enverga University Foundation in 1976.

Ven Christian S. Guce <i>Treasurer and Chief Finance Officer</i>	Mr. Guce, 49, Filipino, was previously the Strategy, Strategic Finance, and Special Projects Head of the Group. Prior to joining FDC, Mr. Guce, as CFO, led the series C funding for Growsari, the Philippines' leading B2B e-commerce company. He previously worked with Jollibee Foods Corporation where he led the group's corporate finance, corporate planning, financial planning & analysis, M&A and global treasury functions. Ven holds post-graduate degrees/certificates in Economics, Supply Chain Management and Finance. Ven finished his Master of Science in Industrial Economics from the University of Asia and the Pacific in 1999 (Salutatorian). He completed his Bachelor of Arts degree in Economics, with specialization in Quantitative Economics from the same university in 1998. Ven also completed post-graduate diplomas in Purchasing and Supply Chain Management from the De La Salle University and the Philippine Institute for Supply Management in 2007 and in Advanced Corporate Finance from the Wharton School's Arresty Executive Education of the University of Pennsylvania in 2022.
Estrella C. Elamparo <i>Compliance Officer and Head of Legal</i>	Ms. Elamparo ("Star"), 55, Filipino, is the Compliance Officer and Head of Legal of FDC. She is a lawyer specializing in litigation and disputes, public relations, crisis management and communications, and policy advocacy. She has been recognized as one of the Philippines' Top 100 Lawyers in 2021, 2022 and 2023, and was named Woman Lawyer of the Year by Asian Legal Business South East Asia Law Awards in 2017. She is a professor at the San Beda Graduate School of Law and a columnist for The Daily Tribune. Atty. Elamparo has held several senior positions in both the private and public sectors, including Senior Partner and Head of Commercial and Criminal Litigation at Divina Law, and Senior Vice-President and Chief Legal Counsel at the Government Service Insurance System. She is also a certified Securities Specialist and Certified Treasury Specialist. Atty. Elamparo holds a Bachelor of Laws degree from the University of the Philippines and a Master of Arts degree in Health Care Ethics and Law from the University of Manchester as a Chevening Scholar.
Ma. Ruiza R. Hernane <i>Corporate Secretary</i>	Ms. Hernane, 45, Filipino, was appointed as FDC's Corporate Secretary effective November 16, 2025. She is a corporate lawyer with over 18 years of experience in legal advisory, tax strategy, contract negotiation, and special projects. She concurrently serves as Mergers and Acquisitions Head at Filinvest Development Corporation, where she provides legal support and documentation for the group's strategic transactions. Prior to her current role, she served as Tax Legal Head for Filinvest, where she guided the group on tax litigation, managed tax assessment controversies, and oversaw compliance matters. Her earlier

	experience includes corporate secretarial and regulatory compliance work at Leisure and Resorts World Corporation, also a publicly listed company; corporate and tax counsel at Quasha Ancheta Peña & Nolasco Law Office; and tax advisory work at SGV & Co., where she began her career as a tax senior associate.
Ronelyn D. Jaectin <i>Assistant Corporate Secretary</i>	Ms. Jaectin, 33, Filipino, is a Senior Legal Counsel at Filinvest Development Corporation, where she serves as the Corporate Secretary for Filinvest subsidiaries. Prior to joining the group, her career spanned key legal and leadership roles in both public and private sectors, namely the LCS Group of Companies and the Department of Finance. She holds a graduate of Juris Doctor (with thesis) from the University of San Carlos, Cebu City, and has been a member of the Philippine Bar since 2018.

The members of the board committees, pursuant to appointments made during the organizational meeting of the Board of Directors of the Company on 25 April 2025, are as follows:

Executive Committee	Chairperson: Jonathan T. Gotianun Members: Lourdes Josephine Gotianun-Yap Michael Edward T. Gotianun Francis Nathaniel C. Gotianun Rhoda A. Huang
Audit and Risk Management Oversight Committee	Chairperson: Virginia T. Obcena (Independent Director) Members: Mina C. Figueroa (Independent Director) Lourdes Josephine Gotianun-Yap Jonathan T. Gotianun Marievic G. Ramos- Anonuevo (Independent Director)
Compensation Committee	Chairperson: Lourdes Josephine Gotianun-Yap Members: Jonathan T. Gotianun Marievic G. Ramos- Anonuevo (Independent Director)
Corporate Governance Committee	Chairperson: Marievic G. Ramos-Anonuevo (Independent Director) Members: Virginia T. Obcena (Independent Director) Mina C. Figueroa (Independent Director)
Related-Party Transaction Committee	Chairperson: Mina C. Figueroa (Independent Director) Members: Virginia T. Obcena (Independent Director) Marievic G. Ramos-Anonuevo (Independent Director)

The directors of the Company are elected at the annual stockholders' meeting to hold office until their respective successors have been duly elected and qualified. The officers are appointed or elected by the BOD typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

The Company is not aware of any legal proceedings where its directors or executive officers have been impleaded in their capacity as directors or executive officers of the Company.

The Company is not aware of the occurrence of any of the following events within the past 5 years up to the date of this annual report: (a) any bankruptcy petition filed by or against any business in which any of its directors or officers was a general partner or officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, of, or any criminal proceeding, domestic or foreign, pending against, any of its directors or officers in his capacity as such director or officer; (c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of its directors or officers in any type of business, securities, commodities or banking activities, and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization that any of its directors or officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which occurred during the past 5 years.

There is no person who is not an executive officer of the Company, who is expected to make a significant contribution to its business. The Company, however, occasionally engages the services of consultants.

ITEM 10. EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing fiscal year to the Group's executive officers and other officers are as follows:

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Filinvest Development Corporation (FDC) aims to attract, motivate, and retain high- performing executives to sustain its industry leadership. The officers receive performance- based remuneration, tied to the officers' contributions to the Company. Below are the compensation details for FDC's directors and key executives.

The aggregate compensation paid or incurred during the last two (2) fiscal years and the estimate year 2025 are as follows:

President and four (4) most highly compensated executive officers (amounts in millions of pesos)

	Year	Annual Compensation	Other Annual Compensation
President and four (4) most highly compensated executive	2026 (estimate)	154.24Mn	none
	2025	128.29Mn	none
	2024	99.82Mn	none
Year	Name	Position/ Title	
2025	Rhoda A. Huang	President and Chief Executive Officer	
	Ysmael V. Baysa	Chief Operating Officer	
	Ven Christian S. Guce	Treasurer and concurrent Chief Finance Officer	
	Estrella C. Elamparo	Compliance Officer and Head of Legal	
	Sheriben Marie D. Paraguas	HR Strategy & COE Head	

The above compensation includes the usual bonus paid to the corporation's officers. Except for salaries, allowances, retirement benefits provided under FDC's retirement plan, there is no separate stock option, stock warrant or other security compensation arrangement between FDC and its individual officers.

Compensation of Directors and Officers as a Group

	Year	Salary Bonuses	Other Annual Compensation
Aggregate Officers (from senior vice presidents) & Directors	2026 (estimate)	162.12Mn	none
	2025	126.27Mn	none
	2024	135.37Mn	none

The above table contains the details of the compensation of directors and officers of FDC. In view of possible security risks, FDC opted to disclose these on an aggregate basis as a group. Non-executive directors and/or independent directors receive a per diem of ₱100,000.00 for every Board meeting attended and ₱50,000.00 for every Board committee meeting attended. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments. While being non-executive directors, Jonathan T. Gotianun, Lourdes Josephine Gotianun Yap, and Isabelle Gotianun-Yap do not receive per diem in their capacity as directors of the Company and members of the board committees. Executive directors Rhoda A. Huang, Michael Edward T. Gotianun and Francis Nathaniel C. Gotianun do not receive per diem in their capacity as directors of the Company and members of the board committees.

Total compensation received by the non-executive directors and/or independent directors for the year 2025 is ₱3,800,000 for their attendance in meetings of the Board and Board Committees.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of the Company as of December 31, 2025 are as follows:

Title of Class	Name and Address of Record Owner/ Relationship with Company	Name of Beneficial Owner/ Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	A.L. Gotianun Inc. (formerly ALG Holdings Corporation) 32nd Floor, Parkway Corporate Center, Corporate Avenue, Filinvest City, Alabang, Muntinlupa City Majority Owner of the Company	Michael Edward T. Gotianun	Filipino	7,587,823,501 (Direct) 61,976,540 (Indirect)	87.74%(Direct) 0.72% (Indirect)
Common	PCD Nominee Corporation (Filipino) G/F, Philippine Stock Exchange Tower, Ayala Avenue, Makati City		Filipino	912,919,051	10.56%

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as of the date of the annual report, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the Company's outstanding common stock.

As of 28 February 2026, 0.41% of the total outstanding voting shares of FDC is owned by foreigners. The names, citizenship, number of shares held and percentage to total of persons forming part of the Management of the Company as of 28 February 2026 as shown in the Public Ownership Report are as follows:

Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common	Jonathan T. Gotianun	12 (D) 263,925 (I)*	Filipino	Negligible
Common	Lourdes Josephine Gotianun-Yap	10 (D) 15,582,914 (I)	Filipino	Negligible 0.18%
Common	Michael Edward T. Gotianun	50,501,501 (D) 0 (I)	Filipino	0.58%
Common	Rhoda A. Huang	1 (D) 0 (I)	Filipino	Negligible
Common	Francis Nathaniel C. Gotianun	1 (D) 0 (I)	Filipino	Negligible
Common	Isabelle Therese G. Yap	1 (D) 40,000 (I)	Filipino	Negligible
Common	Virginia T. Obcena	1 (D) 0 (I)	Filipino	Negligible
Common	Marievic Ramos Añonuevo	1 (D) 0 (I)	Filipino	Negligible
Common	Mina C. Figueroa	1 (D) 0 (I)	Filipino	Negligible
N.A.	Ysmael V. Baysa	211,000 (I)	Filipino	Negligible
N.A.	Ven Christian S. Guce	3,400 (I)	Filipino	Negligible
N.A.	Estrella C. Elamparo	0	Filipino	N.A.
N.A.	Lindeza R. Rogero-Gavino	0	Filipino	N.A.

* Includes shares of stock in Filinvest Development Corporation under the names of Berit Holdings Corp., Jabberwock Holdings, Inc. and Chriszen Holdings, Inc.

Total ownership of all directors and officers as a group as of 28 February 2026 is 66,602,768 shares or 0.77% of total outstanding common shares.

No person holds more than 5% of the common stock under a voting trust or similar agreement. There has been no change in control of FDC since the beginning of the year. There were no matters submitted to a vote of the security holders during the fourth quarter of the calendar year covered by this report

Changes in Control

The Company is not aware of any agreement, which may result in a change in control of the registrant.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In the normal course of business, the Company and other members of the Group enter into certain related-party transactions.

There were no transactions during the last two years, or any proposed transactions, to which the Company was or is to be a party, in which any director or executive officer, any nominee for election as a director, any security holder or any member of the immediate family of any of the foregoing persons, had or is to have a direct or indirect material interest.

Related Party Transactions

The Group has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities. The approval process for all Related Party Transactions ("RPTs") are embodied in the Related Party Transaction Policy (the "Policy") approved and adopted by the Board on October 25, 2019.

All RPTs, as may be deemed necessary by Management, shall be subject to the presentation and approval by the Related Party Transaction and Corporate Governance Committee (the "Committee").

The transactions with related parties for the year ended December 31, 2025 shall be discussed in the Company's 2025 Audited Financial Statements under Note 26, pages 79 to 81 of the Notes to the Audited Financial Statements. The Company's 2025 Audited Financial Statements is attached hereto.

PART IV. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

Filinvest Development Corporation was founded on the principles of good governance. It continues to abide by the core values of its founding father, Andrew L. Gotianun, of integrity, fairness and financial responsibility. These principles have been incorporated in the Company's Code of Ethics as well as in its Revised Manual for Corporate Governance. Today, FDC operates in a manner guided by its corporate core values of integrity, teamwork, professionalism, innovation, customer service and cost effectiveness.

Compliance with Best Practices on Corporate Governance

The Company is in compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of number of independent directors to the Board; (b) the appointment of members of the Board Committees, namely the Executive Committee, the Audit and Risk Management Oversight Committee, the Related-Party Transaction Committee, the Corporate Governance Committee, Compensation Committee and the Digital Committee of the Company; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and the proper discharge of the duties and responsibilities as such directors; (d) the adoption of Related-Party Transaction Policy; (e) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (f) the Company's adherence to national and local laws pertaining to its operations; (g) submission of Sustainability Report; (h) the observance of applicable accounting standards by the Company; and (i) Annual Board Assessment Survey (Self-Evaluation) aimed at measuring or determining the level of compliance of the Board of Directors and Top Level Management with its Manual of Corporate Governance.

In order to keep itself abreast with the leading practices on corporate governance, the Company encourages the members of top-level management and the Board to attend and participate at seminars on corporate governance conducted by SEC-accredited institutions.

The Company welcomes proposals, especially from institutions and entities such as the SEC, PSE, the Institute of Corporate Directors and SyCip Gorres Velayo & Co., to improve corporate governance.

There is no known material deviation from the Company's Revised Manual on Corporate Governance.

Nomination and Selection of Directors

The directors of FDC are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been duly appointed or elected and qualified. The stockholders of FDC may nominate individuals to be members of the Board of Directors.

The Corporate Governance Committee, convened as the Nominations Committee, received the nominations for directors submitted by the stockholders. The Corporate Governance Committee met to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in the Company's Revised Manual of Corporate Governance ("Revised Manual"), Securities Regulation Code, and SEC Memorandum Circular No. 09, Series of 2011 as amended by SEC Memorandum Circular No. 04, Series of 2017. The Corporate Governance Committee then prepared a Final List of Candidates enumerating the nominees who passed the screening, and these nominees shall be disclosed along with their relationship with the nominating shareholder.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FDC multiplied by the whole number of directors to be elected.

The directors of FDC are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Revised Corporation Code and FDC's Revised Manual. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

The conduct of the election of independent directors, in particular, shall be in accordance with FDC's Revised Manual on Corporate Governance and By-Laws.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Before the annual meeting, a stockholder of the Company may nominate individuals to be independent directors, taking into account the following guidelines:

- A. *"Independent director"* means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - 1. Is not a director or officer or substantial stockholder of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);

2. Is not a relative of any director, officer or substantial stockholder of the Company, any of its related companies or any of its substantial stockholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
3. Is not acting as a nominee or representative of a substantial stockholder of the Company, any of its related companies or any of its substantial stockholders;
4. Has not been employed in any executive capacity by the Company, any of its related companies or by any of its substantial stockholders within the last two (2) years;
5. Is not retained as professional adviser by the Company, any of its related companies or any of its substantial stockholders within the last two (2) years, either personally or through his firm;
6. Has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial stockholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial stockholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.

B. When used in relation to FDC subject to the requirements above:

"Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and *"Substantial shareholder"* means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

C. An Independent Director of FDC shall have the following qualifications:

1. He shall have at least one (1) share of stock of FDC;
2. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FDC for at least five (5) years;
3. He shall possess integrity/probity; and
4. He shall be assiduous.

D. An independent director shall be disqualified during his tenure under the following instances or causes:

1. He becomes an officer or employee of FDC, or becomes any of the persons enumerated under item (A) hereof;
2. His beneficial security ownership exceeds 10% of the outstanding capital stock of FDC;
3. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member; and
4. If he becomes disqualified under any of the grounds stated in FDC's Revised Manual on Corporate Governance.

E. Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines on the term limit of independent directors shall be observed in the qualification of individuals to serve as independent directors:

1. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
2. An independent director shall serve for a maximum cumulative term of nine (9) years;
3. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
4. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
5. The reckoning of the cumulative nine-year term is from 2015.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings for the Calendar Year 2025 and during the April 25, 2025 Annual Stockholders' Meeting, and their memberships in the different Committees:

Name	Date of Election	Board Meetings Attended/ Held	% Attendance	Attended Annual Stockholders' Meeting	Committee Membership
Jonathan T. Gotianun (Chairman)	April 25, 2025	10/10	100%	Yes	Executive (Chairman) Audit & Risk Management Oversight (Member) Compensation (Member)
Lourdes Josephine Gotianun-Yap	April 25, 2025	10/10	100%	Yes	Compensation (Chairman) Executive (Member) Audit & Risk Management Oversight (Member)
Rhoda A. Huang	April 25, 2025	10/10	100%	Yes	Executive (Member)
Michael Edward T. Gotianun	April 25, 2025	10/10	100%	Yes	Executive (Member)
Francis Nathaniel C. Gotianun	April 25, 2025	10/10	100%	Yes	Executive (Member)
Isabelle Therese Gotianun-Yap	April 25, 2025	10/10	100%	Yes	
Virginia T. Obcena (Lead Independent Director)	April 25, 2025	10/10	100%	Yes	Audit & Risk Management Oversight (Chairperson) Corporate Governance (Member) Related Party Transaction (Member)
Marievic G. Ramos-Anonuevo (Independent Director)	April 25, 2025	10/10	100%	Yes	Corporate Governance (Chairman) Compensation (Member) Related Party Transaction (Member) Audit & Risk Management Oversight (Member)

Duties and Responsibilities of the Different Board Committees

Executive Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman	Jonathan T. Gotianun	April 25, 2025	9	9	100%	1 year
Member (ED)	Lourdes Josephine Gotianun-Yap	April 25, 2025	9	9	100%	1 year
Member (ED)	Michael Edward T. Gotianun	April 25, 2025	9	9	100%	1 year
Member (ED)	Francis Nathaniel C. Gotianun	April 25, 2025	9	9	100%	1 year
Member (ED)	Rhoda A. Huang	April 25, 2025	9	9	100%	1 year

(*) The Committee members are elected annually.

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to:

- (i) approval of any action for which shareholders' approval is also required;
- (ii) the filing of vacancies in the Board of Directors;
- (iii) the amendment or repeal of these by-laws or the adoption of new by-laws;
- (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and
- (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit and Risk Management Oversight Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairperson (ID)	Virginia T. Obcena	April 25, 2025	4	4	100%	1 year
Member (ED)	Lourdes Josephine Gotianun-Yap	April 25, 2025	4	4	100%	1 year
Member (NED)	Jonathan T. Gotianun	April 25, 2025	4	4	100%	1 year
Member (ID)	Mina C. Figueroa	April 25, 2025	4	4	100%	1 year
Member (ID)	Marievic G. Ramos-Anonuevo	April 25, 2025	4	4	100%	1 year

(*) The Committee members are elected annually.

The Board constituted an Audit and Risk Management Oversight Committee composed of at least three (3) director-members with accounting and financial background, one of whom must be an independent director and another must have related audit experience.

The Chairman of this Committee should be an independent director. He is responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management;
- Provide oversight of the Company's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Company's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report; and

- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit & Risk Management Oversight Committee shall ensure that the internal auditors shall have free and full access to the Company's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Compensation Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman	Lourdes Josephine Gotianun-Yap	April 25, 2025	1	1	100%	1 year
Member (ED)	Jonathan T. Gotianun	April 25, 2025	1	1	100%	1 year
Member (ID)	Marievic G. Ramos-Anonuevo	April 25, 2025	1	1	100%	1 year

(*) The Committee members are elected annually.

The Board constituted a Compensation Committee composed of at least three (3) director-members, one of whom must be an independent director.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment;
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers;
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- Disallow any director to decide his or her own remuneration;
- Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year; and
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Corporate Governance Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman (ID)	Marievic G. Ramos-Anonuevo	April 25, 2025	3	3	100%	1 year
Member (ID)	Virginia T. Obcena	April 25, 2025	3	3	100%	1 year
Member (ID)	Mina C. Figueroa	April 25, 2025	3	3	100%	1 year

(*) The Committee members are elected annually.

The Corporate Governance Committee shall assist the Board in fulfilling its corporate governance and compliance responsibilities. The Committee shall be composed of the Chairman of the Board and at least three (3) members of the Board, all of whom shall be independent directors. The Chairman of the Committee shall be an independent director.

Duties and responsibilities:

- Ensure the effectiveness and due observance of corporate governance principles and guidelines of the Board, its committees' and executive management;
- Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- Make recommendations to the Board regarding the continuing education of directors, assignment to Board Committees and succession plan for the Board members and senior officers;
- Determine the nomination and election process for the Corporation's directors and other positions requiring appointment by the Board, define the general profile of board members that the Corporation may need and ensure that appropriate knowledge, competencies and expertise will complement the existing skills of the Board;
- Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates;
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance;
- Review with the Compliance Officer, at least on annual basis, any legal or regulatory matter that could have a significant impact on the Corporation's financial statements, compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and
- Obtain an annual report from the Compliance Officer regarding the adequacy of the Corporation's compliance program.

The Corporate Governance Committee shall also serve as the Nomination Committee. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

The said Committee considers the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Corporate Governance Committee, acting as the Nomination Committee, may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FDC's Revised Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the SEC.

The nomination of directors, including independent directors, shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Revised Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees, including those for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report, including any relationship with the nominee.

Related-Party Transaction Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman (ID)	Mina C. Figueroa	April 25, 2025	0	0	-	1 year
Member (ID)	Marivic G. Ramos-Anonuevo	April 25, 2025	0	0	-	1 year
Member (ID)	Virginia T. Obcena	April 25, 2025	0	0	-	1 year

(*) The Committee members are elected annually.

The Related Party Transaction Committee is composed of at least three (3) non-executive directors, two (2) of whom must be independent, including the Chairman of the Committee.

The Related Party Transaction Committee has the following duties and responsibilities:

- Conduct continuous evaluation and monitoring of existing relations among counterparties to ensure that all related parties are identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and the SEC;
- Evaluate all material RPTs to ensure that these are transacted on an arm's length basis and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee may take into account the following:

- The related party's relationship to the Company and interest in the transaction;
 - The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - The benefits to the Company of the proposed RPT;
 - The availability of other sources of comparable products or services; and
 - An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
-
- Ensure that appropriate disclosure is made to the regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest;
 - Report to the Board, on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
 - Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and
 - Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

No meetings were held for 2025.

Shareholders' Benefits

FDC recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its investors.

The Board shall be committed to respect the following rights of the stockholders:

I. Right to Nominate and Vote

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code.
2. Cumulative voting is mandatory in the election of directors.
3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

II. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries, in accordance with the Revised Corporation Code, during business hours and upon prior written notice to the Company, for legal purposes.

All shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

III. Right to Information

1. The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes and in accordance with SEC regulations.
3. In accordance with the SEC regulations, the minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

IV. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Company to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

V. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Revised Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.

- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and
- In case of merger or consolidation.

VI. Right to Attend and Participate in Shareholders' Meetings

The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

While the Board endeavors to declare dividends each year, the payment of cash dividends depends upon the Company's earnings, cash flow, financial condition, capital investment requirements and other factors (including certain restrictions on dividends imposed by the terms of loan agreements). See Item 5.1 for the cash dividends paid for the last three (3) years.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

On March 19, 2025, FDC disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date and agenda of the Annual Stockholders' Meeting on April 25, 2025, with the record date set on March 31, 2025.

Stockholders were informed that the Annual Stockholders' Meeting for 2025 would be conducted virtually on April 25, 2025 (Friday) at 9:00 a.m.

Only stockholders of record as of March 31, 2025, were entitled to attend and vote in said meeting.

On the same day, right after the stockholders' meeting, FDC disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- Approval of the Minutes of the Annual Meeting of the Stockholders held on 26 April 2024;
- Presentation of the President's Report and Ratification of the Audited Financial Statements for the year ended December 31, 2024;
- Ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Board Committees and Management from the date of the last annual stockholders' meeting up to 25 April 2025; and
- Appointment of SyCip Gorres Velayo & Co. as the independent external auditor of FDC for the year 2025.

FDC likewise disclosed that the following were elected as directors to serve for the period 2024-2025 and until their successors shall have been duly elected and qualified:

1. Jonathan T. Gotianun
2. Lourdes Josephine Gotianun-Yap
3. Rhoda A. Huang
4. Michael Edward T. Gotianun
5. Francis Nathaniel C. Gotianun
6. Isabelle Therese Gotianun Yap
7. Virginia T. Obcena (as independent director)
8. Marievic Ramos Añonuevo (as independent director)
9. Mina C. Figueroa (as independent director)

Statutory Compliance

FDC fully complied with PSE and SEC regulatory requirements. Below is the Company's Reportorial Compliance Report

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
2025 Audited Financial Statements	1
Request for extension in filing 17-A, 17-Q	None
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	12
Public Ownership Report	13
Report on Number of Shareholders and Board Lot	12
Initial Statement of Beneficial Ownership of Securities (23-A)	5
Statement of Changes in Beneficial Ownership of Securities (23-B)	None
Top 100 Stockholders' List	6
Notices – Stockholders' Meetings/Briefings/Dividends	2
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	3
Other Disclosures	
Integrated Annual Corporate Governance Report	1
Certification – Qualifications of Independent Directors	1
Clarifications of News Articles	3
Definitive Information Statement (20-IS)	1
General Information Sheet	2
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report) Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings	12
b) Press Releases	9
c) Other Matters	18

Per SEC Memorandum Circular No. 15, Series of 2017, the Integrated Annual Corporate Governance Report for 2024 shall be submitted to SEC on or before 30 May 2026.

Investor Relations

FDC's website, www.filinvestgroup.com, makes available to the public current information on the Company, including details of its operations.

The Investor Relations section of the website provides information that may be required by the investors, shareholders and stakeholders. It contains financial statements, press releases, presentations, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, and other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available on the website.

PART V. EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) **Exhibits** - see accompanying Index to Exhibits under (b) Report on SEC Form 17-C

The following exhibits are filed as a separate section of this report:

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) Reports on SEC Form 17-C

Reports on SEC Form 17-C were filed during the year covered by this report and are listed below:

REPORT	REPORT DATE
[Amended-2] SEC FORM 17-C Material Information/Transactions - SEC issued Approval for Confirmation of Valuation	Nov 21, 2025
[Amended-1] SEC FORM 17-C Material Information/Transactions - SEC issued Approval for Confirmation of Valuation	Nov 21, 2025
SEC FORM 17-C Material Information/Transactions - Request for Confirmation of Valuation	Nov 17, 2025
SEC FORM17-C Press Release - Press Release entitled "Filinvest Group delivers 21% net income growth in 9M2025"	Nov 14, 2025
SEC FORM17-C Notice of Annual or Special Stockholders' Meeting - Date of Annual Stockholders' Meeting	Nov 12, 2025
SEC FORM 17-C Material Information/Transactions - Results of Regular Meeting of Board of Directors (November 12, 2025)	Nov 12, 2025
SEC FORM 17-C Change in Directors and/or Officers - Resignation and Appointment of Board Officer/s.	Nov 12, 2025
SEC FORM 17-C Material Information/Transactions - Filing of the Plan and Articles of Merger and application for increase in authorized capital stock of Filinvest Hospitality Corporation (FHC) with the SEC	Oct 27, 2025
SEC FORM17-C Press Release - Filinvest Group Earns ICD Golden Arrow, Enhances Stakeholder Trust	Oct 24, 2025
SEC FORM 17-C Material Information/Transactions - Board Approval of the Plan and Articles of Merger among certain direct and indirectly owned subsidiaries of FDC, with Filinvest Hospitality, Inc. as the surviving entity	Oct 14, 2025
SEC FORM 17-C - Declaration of Cash Dividends	Oct 9, 2025
SEC FORM 17-C - Declaration of Cash Dividends	Oct 9, 2025
[Amended-1] SEC FORM 17-C Material Information/Transaction - Result of the Meeting of the Board of Directors of Filinvest Development Corporation ("Company")	Oct 9, 2025
SEC FORM 17-C Material Information/Transactions - Result of the Meeting of the Board of Directors of Filinvest Development Corporation ("Company")	Oct 9, 2025
SEC FORM17-C Press Release - FDC profit jumps 34% to ₱7.4B in 1H2025 on margin improvement	Aug 14, 2025
[Amended-1] SEC FORM 17-C Change in Directors and/or Officers - Appointment of Chief Marketing Officer.	Aug 13, 2025

REPORT	REPORT DATE
SEC FORM 17-C Change in Directors and/or Officers - Appointment of Chief Marketing Officer.	Aug 13, 2025
SEC FORM 17-C Material Information/Transactions - Results of Regular Meeting of Board of Directors (August 13, 2025)	Aug 13, 2025
[Amended-1] SEC FORM 17-C Material Information/Transactions - Listing of Preferred Shares at the Philippine Stock Exchange	Aug 8, 2025
SEC FORM 17-C Press Release - Filinvest Development Corporation Successfully Raises ₱8.0 Billion from its Maiden Preferred Shares Offering	Aug 8, 2025
SEC FORM 17-C Material Information/Transactions - Listing of Preferred Shares at the Philippine Stock Exchange	Aug 8, 2025
SEC FORM 17-C Press Release - Filinvest Development Corporation gets highest Triple A Issuer Rating from PhilRatings for Maiden Preferred Shares Offering	Jul 25, 2025
SEC FORM 17-C Clarification of News Reports - Filinvest Group looks to diversify, exploring mergers, acquisitions	Jul 22, 2025
SEC FORM 17-C Material Information/Transactions - SEC issued the Permit to Sell for its up to ₱8 billion preferred shares offering	Jul 17, 2025
SEC FORM 17-C Notice of Analysts' Briefing - Notice of Briefing for PSE Trading Participants on 21 July 2025	Jul 16, 2025
SEC FORM 17-C Material Information/Transactions - SEC Approval on the Registration statement for the up to ₱8 billion preferred shares offering	Jul 9, 2025
SEC FORM 17-C Material Information/Transactions - Results of Special Meeting of Board of Directors (June 18, 2025)	Jun 18, 2025
SEC FORM 17-C Press Release - Press Release entitled "Filinvest Development Corporation Files Registration Statement for Preferred Share Offering to Support Strategic Expansion Initiatives"	May 27, 2025
SEC FORM 17-C Material Information/Transactions - Filing of FDC's Registration Statement with the Securities and Exchange Commission ("SEC")	May 26, 2025
SEC FORM 17-C Material Information/Transactions - Enabling Resolutions for the Preferred Shares	May 20, 2025
SEC FORM 17-C Press Release - Press Release entitled "FDC income rises by 25% in 1Q2025 as all segments deliver double-digit growth"	May 15, 2025
SEC FORM 17-C Change in Directors and/or Officers - Appointment of Internal Audit Head	May 15, 2025

REPORT	REPORT DATE
SEC FORM 17-C Material Information/Transactions - Results of Regular Meeting of Board of Directors (May 14, 2025)	May 14, 2025
[Amended-1] SEC FORM 17-C Results of Organizational Meeting of Board of Directors - Amendment to the Results of the Organizational Meeting held on 25 April 2025	May 8, 2025
SEC FORM 17-C Press Release - Press Release entitled "FDC declares 36% increase in dividend per share in line with 2024 net income growth"	Apr 25, 2025
SEC FORM 17-C Results of Annual or Special Stockholders' Meeting - Results of 2025 Annual Stockholders' Meeting	Apr 25, 2025
SEC FORM 17-C Results of Organizational Meeting of Board of Directors - Results of Organizational Meeting of the Board of Directors	Apr 25, 2025
SEC FORM 17-C - Declaration of Cash Dividends	Apr 25, 2025
SEC FORM 17-C Material Information/Transactions - Results of Meeting of the Board of Directors held on 25 April 2025	Apr 25, 2025
SEC FORM 17-C Clarification of News Reports - FDC sets aside P24 billion for capex this year	Apr 2, 2025
SEC FORM 17-C Press Release - Press Release entitled "Filinvest posts P12.1B in record profit for 2024 on broad-based growth"	Mar 26, 2025
SEC FORM 17-C Notice of Analysts' Briefing - Notice of Analysts' Briefing of Financial Results for Full Year 2024	Mar 19, 2025
[Amended-1] SEC FORM 17-C Notice of Annual or Stockholders' Meeting - Date of Annual Stockholders' Meeting	Mar 19, 2025
SEC FORM 17-C Material Information/Transactions - Result of the Regular Meeting of the Board of Directors	Mar 19, 2025
SEC FORM 17-C Change in Directors and/or Officers - Appointment of Senior Officer	Jan 2, 2025
SEC FORM 17-C Material Information/Transactions - Result of the Special Meeting of the Board of Directors of Filinvest Development Corporation ("Company")	Jan 2, 2025

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned duly authorized, in the City of Makati City Metro Manila on 14 APR 2026, 2026.


Jonathan T. Gotianun
Chairman


Rhoda A. Huang
President and CEO


Ven Christian S. Guce
Treasurer and CFO


Ma. Ruiza R. Hernane
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 14 APR 2026 affiants exhibiting to me their competent evidence of identity as follows:

Name	Competent Evidence of Identity	Place Issued/ Issued date/ Expiry Date
Jonathan T. Gotianun		DFA Manila/ December 9, 2024/ December 8, 2034
Rhoda A. Huang		DFA NCR East/ January 15, 2025/ January 14, 2035
Ven Christian S. Guce		DFA Manila/ October 29, 2021/ October 28, 2031
Ma. Ruiza R. Hernane		DFA NCR East/ July 6, 2019/ July 5, 2029

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Series of 2026




ATTY. KARISSA MENZIES SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBPN No. 579111/12-31-2025/ Makati City Chapter
PTR No. 6040802/01-07-2026/ Mandaluyong City
Notarial Commission No. M-353(2025-2026), Makati City
MCLB Compliance No. VIII-0013816/09-30-2024/ Pasig City
29th Floor, P&COM Tower, 6795 Ayala Avenue
Cor. V.A. Rufino St., Makati City

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
(CONSOLIDATED)**

**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 8**

Consolidated Financial Statements

Statement of Management's Responsibility for Financial Statements
Report of Independent Public Accountants
Consolidated Statements of Financial Position as of December 31, 2025 and 2024
Consolidated Statements of Income for the years ended December 31, 2025, 2024
and 2023
Consolidated Statements of Comprehensive Income for the years ended
December 31, 2025, 2024 and 2023
Consolidated Statements of Changes in Equity as of December 31, 2025, 2024
and 2023
Consolidated Statements of Cash Flows for the years ended December 31, 2025,
2024 and 2023
Notes to Consolidated Financial Statements

Supplementary Schedules

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration *

Annex B: Map Showing the Relationships Between and Among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, *
Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J *
Schedule A. Financial Assets *
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related *
Parties, and Principal Stockholders (Other than Related Parties)
Schedule C. Amounts Receivable from Related Parties which are Eliminated During *
the Consolidation of Financial Statements
Schedule D. Long-term Debt *
Schedule E. Indebtedness to Related Parties *
Schedule F. Guarantees of Securities of Other Issuers *
Schedule G. Capital Stock *
Schedule H: Supplementary Schedule of Bond Issuances – Securities *
Schedule I: Supplementary Schedule of Preferred Stock Issuances – Securities *
Offered to the Public

* These schedules which are required by Part IV of SRC Rule 12 are contained in the Company's Audited Consolidated Financial Statements, in the accompanying Notes to Consolidated Financial Statements, or in Supplementary Information and Disclosures Required on SRC Rule 68 and 68.1 As Amended.

INDEX TO EXHIBITS

Form 17- A

No.

	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5)	Instrument Defining the Rights of Security Holders, Including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
(13)	Letter re Change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(18)	Subsidiaries of the Registrant	A
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	*
(20)	Consent of Experts and Independent Counsel	*
(21)	Power of Attorney	*
(29)	Additional Exhibits	*
	Sustainability Report	B

* These exhibits are either not applicable to the Company or require no answer.

A This schedule is contained in Note 1 of the Company's 2025 Audited Consolidated Financial Statements

B Refer to the attached Sustainability Report in this Annual Report

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

5	1	0	4	8					
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COMPANY NAME

F	I	L	I	N	V	E	S	T		D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T
I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S										

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

T	H	E		B	E	A	U	F	O	R	T	,		5	T	H		A	V	E	N	U	E		C	O	R	N	E
R		2	3	R	D		S	T	R	E	E	T	,		B	O	N	I	F	A	C	I	O		G	L	O	B	A
L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y	,		M	E	T	R	O		M	A	N
I	L	A																											

Form Type

A	A	C	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	A		
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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.filinvestgroup.com	7798-3977	NONE
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,972	Last Friday of April	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
Ven Christian S. Guce	ven.guce@filinvestgroup.com	7798-3977	N/A

CONTACT PERSON'S ADDRESS

The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila

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

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



FILINVEST DEVELOPMENT CORP.

6th Floor, The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City, Philippines
Trunk line: (632) 798-3977
www.filinvestgroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated 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 consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


JONATHAN T. GOTIANUN
Chairman of the Board


RHODA A. HUANG
President and Chief Executive Officer


VEN CHRISTIAN S. GUCE
Treasurer and Chief Financial Officer

Signed this 18th day of March, 2026

FILINVEST DEVELOPMENT CORP.

6th Floor, The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City, Philippines
Trunk line: (632) 798-3977
www.filinvestgroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **FILINVEST DEVELOPMENT CORPORATION** (the Company) is responsible for the preparation and fair presentation of the parent financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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, has expressed its opinion on the fairness of presentation upon completion of such audit.


JONATHAN T. GOTIANUN
Chairman of the Board


RHODA A. HUANG
President and Chief Executive Officer


VEN CHRISTIAN S. GUCE
Treasurer and Chief Financial Officer

Signed this 18th day of March, 2026

SUBSCRIBED AND SWORN to before me this 18 MAR 2026 affiants exhibiting to me their competent evidence of identity as follows:

NAME	PROOF OF IDENTITY	DATE AND PLACE OF ISSUE
Jonathan T. Gotianun	[REDACTED]	December 9, 2024 DFA Manila
Rhoda A. Huang	[REDACTED]	January 15, 2025 DFA NCR East
Ven Christian S. Guce	[REDACTED]	October 29, 2021 DFA Manila

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AT [REDACTED] SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBP No. 579111/12-31-2025/Makati City Chapter
PTR No. 6040802/01-07-2026/Mandaluyong City
Notarial Commission No. M-353(2025-2026), Makati City
MCLB Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, P8COM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



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

Adequacy of Allowance for Credit Losses on Loans and Receivables from Banking and Financial Services

The application of the expected credit loss (ECL) model of the Group's banking and financial services segment in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset and expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information used for overlay in calculating ECL.

Refer to Notes 3 and 9 to the consolidated financial statements for the related disclosures and details of the allowance for credit losses using the ECL model.

Audit Response

We obtained an understanding of the Board-approved methodologies and models used for the Group's different credit risk exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts and credit risk management policies and practices in place; (c) tested the Group's application of internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries including the timing, related direct costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss. We involved our internal specialist in the performance of the above procedures.



Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (a) assessment of the probability that the Group will collect the consideration from the buyer; (b) determination of the transaction price; and (c) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, age of residential development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project engineers and project managers.

The disclosures related to the real estate revenue are included in Notes 2, 3 and 35 to the consolidated financial statements.

Audit Response

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.

For the determination of the transaction price, we obtained an understanding of the Group's process in the determination of the population of contracts with customers related to real estate sale and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis on whether the financing component of the Group's contract with customers is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculation prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion (POC) to the contract provision and projected POC schedule. We also recomputed the financing component for each sample selected.



For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC and performed tests of the relevant controls. We inspected the certified POC reports prepared by the project engineers and project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to test the amount of goodwill for impairment at least annually. As of December 31, 2025, the Group's goodwill that is attributable to the acquisition of the sugar business is significant at the carrying value of ₱6,177.3 million. Management's assessment process requires significant judgment and is based on assumptions that are subject to higher level of estimation uncertainty given the current market and economic conditions, specifically, growth rate, gross margin and discount rate.

Refer to Notes 3 and 4 to the consolidated financial statements for the disclosures about goodwill.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used.

We compared the key assumptions used, such as growth rate and gross margin against the historical performance and industry outlook of the cash-generating unit, and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

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

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit. We remain solely responsible for our audit opinion.

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

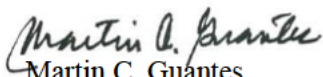
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



The engagement partner on the audit resulting in this independent auditor's report is Martin C. Guantes.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2025	2024
ASSETS		
Cash and cash equivalents (Note 6)	₱49,549,812	₱52,317,373
Loans and receivables		
Real estate operations (Note 7)	11,130,406	11,384,885
Hospitality operations (Note 8)	317,016	396,137
Banking and financial services (Note 9)	371,544,952	323,459,351
Power and utility operations (Note 10)	3,282,901	4,789,083
Sugar operations (Note 11)	160,933	153,708
Financial assets at fair value through profit or loss (Note 12)	13,388,007	9,174,275
Financial assets at fair value through other comprehensive income (Note 12)	27,746,915	29,983,609
Investment securities at amortized cost (Note 12)	84,651,590	81,922,750
Contract assets (Note 13)	10,237,238	8,436,614
Real estate inventories (Note 14)	85,132,062	78,900,316
Coal, spare parts and other inventories (Note 15)	2,859,573	2,397,054
Investment properties (Note 16)	104,864,869	103,641,040
Property, plant and equipment (Note 17)	58,680,338	51,890,809
Investments in joint ventures and an associate (Note 18)	2,136,118	2,010,839
Deferred tax assets - net (Note 34)	6,834,266	5,791,642
Goodwill (Note 4)	10,381,152	10,381,152
Other assets (Note 20)	29,189,714	36,649,611
Total Assets	₱872,087,862	₱813,680,248

LIABILITIES AND EQUITY

Liabilities

Deposit liabilities (Note 21)	₱427,512,804	₱372,542,796
Bills and acceptances payable (Note 22)	30,350,778	40,117,180
Accounts payable, accrued expenses and other liabilities (Note 23)	55,319,754	53,901,380
Contract liabilities (Note 13)	1,506,364	3,156,425
Long-term and short-term debt (Note 24)	125,678,847	137,331,240
Income tax payable	1,155,220	439,461
Retirement liabilities (Notes 26 and 30)	1,909,158	1,660,444
Lease liabilities (Note 32)	8,519,669	9,042,566
Deferred tax liabilities - net (Note 34)	8,460,487	9,108,250
Total Liabilities	660,413,081	627,299,742

(Forward)



	December 31	
	2025	2024
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock - ₱1 par value (Note 25)		
Authorized common shares - 15,000,000,000		
Authorized preferred shares - 2,000,000,000		
Issued common shares - 9,319,872,387	₱9,319,872	₱9,319,872
Issued preferred shares - 8,000,000	8,000	—
Treasury shares - 671,409,400 (Notes 25 and 31)	(3,614,474)	(3,614,474)
Additional paid-in capital (Note 25)	19,821,886	11,900,015
Retained earnings (Note 25)	139,698,860	127,792,244
Other comprehensive income - net of tax		
Revaluation reserve on financial assets at fair value through other comprehensive income (Note 12)	496,501	(547,086)
Remeasurement losses on retirement plans - net of tax (Note 30)	(334,859)	(214,373)
Cumulative translation adjustments	173,830	121,161
	165,569,616	144,757,359
Noncontrolling interests (Note 5)	46,105,165	41,623,147
Total Equity	211,674,781	186,380,506
	₱872,087,862	₱813,680,248

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2025	2024	2023
REVENUES (Note 35)			
Real estate operations			
Sale of lots, condominium and residential units	₱20,170,495	₱17,567,000	₱16,094,806
Rental and related services (Notes 16, 20 and 32)	9,043,233	8,486,789	7,663,855
Hospitality operations	3,789,442	3,763,329	2,856,543
Banking and financial services (Notes 6, 9 and 12)	49,719,499	41,730,563	33,943,051
Power and utility operations	17,522,205	24,397,973	17,207,202
Sugar operations	7,495,329	5,815,205	5,027,067
	107,740,203	101,760,859	82,792,524
OTHER INCOME (Notes 27 and 35)			
Real estate operations	1,764,060	2,026,362	1,647,576
Hospitality operations	300,167	552,898	563,913
Banking and financial services	10,347,966	8,932,099	7,429,236
Power and utility operations	370,098	130,235	358,236
Sugar operations	51,841	43,085	50,056
	12,834,132	11,684,679	10,049,017
Total Revenues and Other Income	120,574,335	113,445,538	92,841,541
COSTS (Note 28)			
Real estate operations			
Sale of lots, condominium and residential units (Note 14)	8,742,362	7,754,859	8,534,325
Rental and related services (Notes 16 and 20)	3,794,214	3,613,954	2,824,608
Hospitality operations	2,373,476	2,526,342	1,827,843
Banking and financial services (Notes 21, 22 and 24)	9,334,358	8,418,748	5,986,364
Power and utility operations	9,653,582	16,691,157	12,060,599
Sugar operations	6,257,863	4,741,794	4,061,398
Other operations (Note 24)	477,158	591,785	518,016
	40,633,013	44,338,639	35,813,153
EXPENSES (Note 29)			
Real estate operations	9,984,410	9,309,880	7,217,548
Hospitality operations	1,332,468	1,449,580	1,392,562
Banking and financial services	39,708,904	32,855,465	27,907,904
Power and utility operations	2,088,047	2,355,718	2,151,071
Sugar operations	248,170	201,983	183,996
Other operations	2,330,608	2,378,968	2,674,014
	55,692,607	48,551,594	41,527,095
Total Costs and Expenses	96,325,620	92,890,233	77,340,248

(Forward)



	Years Ended December 31		
	2025	2024	2023
INCOME BEFORE INCOME TAX	₱24,248,715	₱20,555,305	₱15,501,293
PROVISION FOR INCOME TAX (Note 34)			
Current	7,362,490	3,895,854	3,482,679
Deferred	(1,990,043)	961,098	(118,196)
	5,372,447	4,856,952	3,364,483
NET INCOME (Note 35)	₱18,876,268	₱15,698,353	₱12,136,810
Net income attributable to:			
Equity holders of the Parent Company (Note 31)	₱15,007,865	₱12,131,320	₱8,947,468
Noncontrolling interests	3,868,403	3,567,033	3,189,342
	₱18,876,268	₱15,698,353	₱12,136,810
Basic/Diluted Earnings Per Share Attributable to Equity			
Holders of the Parent Company (Note 31)	₱1.72	₱1.40	₱1.03

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱18,876,268	₱15,698,353	₱12,136,810
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets through other comprehensive income (Note 12)	851,695	(416,723)	983,521
Translation adjustments (Note 2)	52,555	(95,478)	369,315
	904,250	(512,201)	1,352,836
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets through other comprehensive income (Note 12)	340,239	63,715	271,321
Share in changes in net unrealized gain on equity securities at FVOCI of a joint venture (Note 18)	21,408	19,483	525
Remeasurement gains (losses) on retirement plans - net of tax (Note 30)	(121,702)	(46,329)	(5,612)
	239,945	36,869	266,234
	1,144,195	(475,332)	1,619,070
TOTAL COMPREHENSIVE INCOME	₱20,020,463	₱15,223,021	₱13,755,880
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱15,983,635	₱11,767,752	₱10,342,888
Noncontrolling interests	4,036,828	3,455,269	3,412,992
	₱20,020,463	₱15,223,021	₱13,755,880

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 25)	Preferred Stock (Note 25)	Additional Paid-in Capital (Note 25)	Retained Earnings (Note 25)	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (Note 12)	Re- measurement Losses on Retirement Plans - net of tax (Note 30)	Translation Adjustments (Note 2)	Treasury Shares (Notes 25 and 31)	Total	Noncontrolling Interests (Note 5)	Total
For the Year Ended December 31, 2025											
Balances as at January 1, 2025	₱9,319,872	₱—	₱11,900,015	₱127,792,244	(₱547,086)	(₱214,373)	₱121,161	(₱3,614,474)	₱144,757,359	₱41,623,147	₱186,380,506
Net income	—	—	—	15,007,865	—	—	—	—	15,007,865	3,868,403	18,876,268
Other comprehensive income (loss)	—	—	—	—	1,043,587	(120,486)	52,669	—	975,770	168,425	1,144,195
Total comprehensive income (loss)	—	—	—	15,007,865	1,043,587	(120,486)	52,669	—	15,983,635	4,036,828	20,020,463
Issuance of shares, net of stock issuance costs (Note 25)	—	8,000	7,921,871	—	—	—	—	—	7,929,871	—	7,929,871
Changes in noncontrolling interest (Note 5)	—	—	—	(1,748,746)	—	—	—	—	(1,748,746)	1,748,746	—
Dividends declared (Notes 5 and 25)	—	—	—	(1,352,503)	—	—	—	—	(1,352,503)	(1,303,556)	(2,656,059)
Balances as of December 31, 2025	₱9,319,872	₱8,000	₱19,821,886	₱139,698,860	₱496,501	(₱334,859)	₱173,830	(₱3,614,474)	₱165,569,616	₱46,105,165	₱211,674,781
For the Year Ended December 31, 2024											
Balances as at January 1, 2024, as previously stated	₱9,319,872	₱—	₱11,900,015	₱119,711,533	(₱301,832)	(₱176,065)	₱201,167	(₱3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875
Effect of adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) and Significant Financing Component	—	—	—	(2,810,653)	—	—	—	—	(2,810,653)	(1,335,193)	(4,145,846)
Balances as at January 1, 2024, as restated	9,319,872	—	11,900,015	116,900,880	(301,832)	(176,065)	201,167	(3,614,474)	134,229,563	39,316,466	173,546,029
Net income	—	—	—	12,131,320	—	—	—	—	12,131,320	3,567,033	15,698,353
Other comprehensive income (loss)	—	—	—	—	(245,254)	(38,308)	(80,006)	—	(363,568)	(111,764)	(475,332)
Total comprehensive income (loss)	—	—	—	12,131,320	(245,254)	(38,308)	(80,006)	—	11,767,752	3,455,269	15,223,021
Changes in noncontrolling interest (Note 5)	—	—	—	(345,214)	—	—	—	—	(345,214)	174,542	(170,672)
Dividends declared (Notes 5 and 25)	—	—	—	(894,742)	—	—	—	—	(894,742)	(1,323,130)	(2,217,872)
Balances as of December 31, 2024	₱9,319,872	₱—	₱11,900,015	₱127,792,244	(₱547,086)	(₱214,373)	₱121,161	(₱3,614,474)	₱144,757,359	₱41,623,147	₱186,380,506



Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 25)	Additional Paid-in Capital (Note 25)	Retained Earnings (Note 25)	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (Note 12)	Re- measurement Losses on Retirement Plans - net of tax (Note 30)	Translation Adjustments (Note 2)	Treasury Shares (Notes 25 and 31)	Total	Noncontrolling Interests (Note 5)	Total
For the Year Ended December 31, 2023										
Balances as at January 1, 2023	₱9,319,872	₱11,900,015	₱111,329,156	(₱1,325,467)	(₱186,845)	(₱159,838)	(₱3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042
Net income	—	—	8,947,468	—	—	—	—	8,947,468	3,189,342	12,136,810
Other comprehensive income	—	—	—	1,023,635	10,780	361,005	—	1,395,420	223,650	1,619,070
Total comprehensive income	—	—	8,947,468	1,023,635	10,780	361,005	—	10,342,888	3,412,992	13,755,880
Dividends declared (Notes 5 and 25)	—	—	(565,091)	—	—	—	—	(565,091)	(1,170,956)	(1,736,047)
Balances as of December 31, 2023	₱9,319,872	₱11,900,015	₱119,711,533	(₱301,832)	(₱176,065)	₱201,167	(₱3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****(Amounts in Thousands of Pesos)**

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱24,248,715	₱20,555,305	₱15,501,293
Adjustments for:			
Provision for probable losses (Note 29)	14,507,269	9,939,073	7,620,095
Interest expense (Notes 28 and 29)	7,187,157	7,167,415	5,165,195
Depreciation and amortization (Notes 16, 17 and 20)	6,415,049	6,083,458	5,204,280
Loss on sale of property and equipment and investment properties (Note 27)	717,434	688,094	183,080
Share in net losses (earnings) of joint ventures and an associate (Notes 18 and 29)	151,670	(115,633)	307,472
Amortization of premium on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Notes 12 and 27)	138,852	84,216	532,150
Interest income (Note 27)	(413,419)	(503,348)	(559,530)
Gain on asset foreclosure and <i>dacion</i> transactions (Note 27)	(953,658)	(1,191,284)	(614,532)
Operating income before changes in operating assets and liabilities	51,999,069	42,707,296	33,339,503
Decrease (increase) in:			
Loans and receivables	(65,495,975)	(59,780,871)	(47,828,683)
Financial assets at fair value through profit or loss	(4,213,732)	(5,061,953)	(2,154,012)
Contract assets	(1,800,624)	1,311,857	(2,258,110)
Real estate inventories	(6,981,824)	(4,927,392)	(2,695,159)
Coal, spare parts and other inventories	(462,519)	(731,282)	650,897
Increase (decrease) in:			
Deposit liabilities	53,335,247	27,021,739	26,406,833
Accounts payable, accrued expenses and other liabilities	6,848,723	8,153,842	7,891,993
Contract liabilities	(1,650,061)	159,573	(926,159)
Cash generated from operations	31,578,304	8,852,809	12,427,103
Income taxes paid	(6,646,731)	(3,944,863)	(3,243,048)
Net cash provided by operating activities	24,931,573	4,907,946	9,184,055

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at fair value through other comprehensive income	(P5,518,833)	(P17,689,047)	(P5,543,251)
Investment properties and property, plant and equipment (Notes 16 and 17)	(14,396,302)	(9,930,623)	(6,382,001)
Investment securities at amortized cost	(1,646,120)	(5,860,248)	(12,039,512)
Shares in subsidiary (Notes 1 and 5)	—	(170,672)	(50,000)
Investments in joint ventures and an associate (Note 18)	—	—	(216,000)
Proceeds from sale of:			
Financial assets at fair value through other comprehensive income (Note 12)	9,317,299	10,713,611	4,442,304
Investment properties and repossessed assets	5,866,533	4,853,163	2,743,162
Maturity of investments securities at amortized cost	239,323	2,070,293	—
Receipts of interest income	413,419	503,348	559,530
Decrease (increase) in:			
Due from related parties (Notes 7, 8, 10 and 26)	(112,838)	29,367	49,585
Other assets	5,653,708	(2,339,904)	(7,459,830)
Net cash provided by (used in) investing activities	(183,811)	(17,820,712)	(23,896,013)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Note 39)			
Proceeds from availment of long-term and short-term debt (Note 24)	38,634,849	63,442,124	38,811,359
Proceeds from issuance of preferred shares - net	7,929,871	—	—
Increase (decrease) in:			
Bills and acceptances payable (Note 22)	(9,766,402)	24,713,474	8,444,195
Due to related parties (Notes 23 and 26)	(277,555)	(533,293)	18,476
Payments of:			
Long-term and short-term debt (Note 24)	(49,924,613)	(59,068,195)	(44,190,637)
Interest expense (including capitalized borrowing costs) (Note 24)	(9,008,440)	(8,329,002)	(7,546,485)
Dividends (Notes 5 and 25)	(2,656,059)	(2,217,872)	(1,736,047)
Lease liabilities (Note 32)	(2,446,974)	(1,739,243)	(1,438,713)
Net cash provided by (used in) financing activities	(27,515,323)	16,267,993	(7,637,852)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,767,561)	3,355,227	(22,349,810)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	52,317,373	48,962,146	71,311,956
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P49,549,812	P52,317,373	P48,962,146

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Approval of Consolidated Financial Statements

Corporate Information

Filinvest Development Corporation (FDC or the “Parent Company”) is a stock corporation incorporated on April 27, 1973 under the laws of the Philippines where its shares are publicly traded. The Parent Company and its subsidiaries (collectively referred to as the “Filinvest Group” or the “Group”) are engaged in real estate operations as a developer of residential subdivisions and mixed-use urban projects, including condominiums, commercial buildings, industrial parks and farm estates. The Filinvest Group is also involved in leasing operations, hospitality operations, banking and financial services, power and utility operations, sugar farming and milling business and digital ventures. A.L. Gotianun, Inc. (ALGI) is the Group’s ultimate parent company and is incorporated in the Philippines.

The Parent Company’s registered business address is The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila.

Issuance of FDC preferred stock

On August 8, 2025, the Parent Company issued and listed at the Philippine Stock Exchange (“PSE”) 8,000,000 cumulative, non-voting, non-convertible, redeemable at the option of the Parent Company, and re-issuable perpetual preferred shares with ₱1 par value, at an issue price of ₱1,000 per share. The listing was offered in two (2) series: Series A Preferred Shares (FDCPA) with dividend rate of 6.6253% per annum and Series B Preferred Shares (FDCPB) with dividend rate of 7.1087% per annum.

The proceeds from the offer were utilized to refinance existing obligations and support key growth initiatives that are aligned with FDC’s long-term strategy.

Hospitality operations

On September 30, 2025, the respective Board of Directors (BOD) and Stockholders of Filinvest Hospitality Corporation (FHC), Boracay Seascapes, Inc., Dauin Seascapes, Inc., Duawon Seascapes Resort, Inc., Dumaguete Cityscapes, Inc., Gensan Cityscapes, Inc., Mactan Seascapes Services, Inc., Princessa Seascapes, Inc. and Zamboanga Cityscapes, Inc. approved the merger, with FHC as the surviving entity. On October 23, 2025, FHC has filed the Articles of Merger and Plan of Merger, including the application for the necessary increase in authorized capital stock with the Philippine Securities and Exchange Commission (SEC). On March 13, 2026, Philippine SEC approved the application of the merger and the increase in authorized capital stock, and has issued the Certificate of Filing of the Articles and Plan of Merger effective January 1, 2026.

On February 15, 2024, the Philippine SEC approved the following amendments to the Articles of Incorporation of Cubao Cityscapes, Inc: (i) to change of name to Baker J Concepts, Inc. (BJCI); and (ii) its secondary purpose to establish, maintain and operate services in connection with the restaurant and catering enterprise.

Other operations

On November 29, 2024, the Philippine SEC approved the following amendments to the Articles of Incorporation of Corporate Technologies, Inc. (CTI) to change its: (i) name to Filinvest Business Services Corporation; and (ii) primary purpose to sell its services to business entities.



On January 13, 2024, Filinvest Infra-Solutions Ventures, Inc. (FIVI) was incorporated to invest and develop entities engaged in infrastructure related projects. Filinvest Infra is wholly owned by FDC. FIVI has not started commercial operations as of December 31, 2025.

Approval for Issuance of Consolidated Financial Statements

The consolidated financial statements as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were approved and authorized for issue by the Parent Company's BOD on March 18, 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The Group's consolidated financial statements are presented in Philippine Peso (₱) and all amounts are rounded to the nearest thousand except when otherwise indicated.

The functional currency of the Parent Company, its subsidiaries, associate and joint ventures is the Philippine Peso, except for the Foreign Currency Deposit Unit (FCDU) of East West Banking Corporation (EWBC), Filinvest Development Cayman Islands (FDCI), Property Leaders International Limited (PLIL) and Filinvest International Pte. Ltd (FIPL) which is the United States Dollar (USD).

For financial reporting purposes, FDCI, PLIL, FIPL, FCDU accounts and foreign currency-denominated accounts of the Group are translated into their equivalents in Philippine Peso (see accounting policy on foreign currency transactions and translations).

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

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

Presentation of Financial Statements

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (noncurrent) is presented in Note 40 to the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. All of the Parent Company's subsidiaries were incorporated in the Philippines, except for (i) FDCI which was incorporated under the laws of Cayman Islands; (ii) PLIL which was incorporated in British Virgin Islands; and (iii) FIPL which was incorporated in the Republic of Singapore.

The financial statements of the subsidiaries, joint ventures and an associate are prepared for the same reporting period as the Parent Company, except for Pacific Sugar Holdings Corporation (PSHC) whose reporting period starts from October 1 and ends on September 30, using consistent accounting



policies. Adjustments are made to effect the significant transactions or events that occur between the reporting period of PSHC and the reporting period of the Group's consolidated financial statements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The nature of business and the corresponding percentages of ownership of the immediate parent company as at December 31 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to their ownership interests.

Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2025	2024	2023
<i>Banking and financial services</i>				
East West Banking Corporation (EWBC) ⁽¹⁾	Domestic universal bank	78	78	78
East West Rural Bank, Inc. (EWRB)	Consumer banking	100	100	100
East West Insurance Brokerage, Inc.	Non-life insurance brokerage	100	100	100
East West Leasing and Finance Corporation	Finance and leasing	100	100	100
Quest Marketing and Integrated Services, Inc. (QMIS)	Sales and marketing	100	100	100
Assurance Solutions Insurance Agency (ASIA)	General insurance and marketing	100	100	100
<i>Real estate operations</i>				
Filinvest Land, Inc.	Real estate developer	71	71	65
Filinvest All Philippines, Inc.	Real estate developer	100	100	100
Gintong Parisukat Realty and Development, Inc.	Real estate developer	100	100	100
Homepro Realty Marketing, Inc.	Real estate developer	100	100	100
SJR Developers, Inc.	Real estate developer	100	100	100
Niyog Property Holdings, Inc.	Real estate developer	100	100	100
Cajel Realty Corporation	Real estate developer	100	100	100
Crystal Ball Realty & Management, Inc.	Real estate developer	100	100	100
Cloverleaf Holdings Corporation	Real estate developer	100	100	100
FCGC Corporation	Real estate developer	100	100	100
Filinvest BCDA Clark, Inc. (FBCI)	Real estate developer	55	55	55
Filinvest REIT Corp. ⁽²⁾	Leasing	63	51	63
Filinvest Asia Corporation (FAC)	Leasing	60	60	60
Filinvest Cyberparks, Inc.	Leasing	100	100	100
Filinvest Clark Mimosa, Inc.	Leasing	100	100	100
Filinvest Lifemalls Mimosa, Inc.	Property management	100	100	100
Filinvest Lifemalls Corporation	Property management	100	100	100
Filinvest Lifemalls Tagaytay, Inc.	Property management	100	100	100
Property Specialist Resources, Inc.	Property management	100	100	100
ProOffice Works Services, Inc.	Property management	100	100	100
Co-Living Pro Managers Corp.	Property management	100	100	100
Festival Supermall, Inc.	Property management	100	100	100
FSM Cinemas, Inc. (FSMCI)	Theater operator	60	60	60
Philippine DCS Development Corporation	District cooling systems, builder, and operator	60	60	60



Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2025	2024	2023
Timberland Sports and Nature Club	Recreational Sports and Nature Club	98	98	98
Property Maximizer Professional Corp.	Marketing	100	100	100
Leisurepro, Inc.	Marketing	100	100	100
Proleads Philippines, Inc.	Marketing	100	100	100
Property Leaders International Limited	Marketing	100	100	100
Realpros Philippines, Inc.	Marketing	100	100	100
Nature Specialist, Inc. (NSI) ⁽³⁾	Recreational Sports and Nature Club	75	75	75
FREIT Fund Managers, Inc.	Fund Manager	100	100	100
OurSpace Solutions, Inc.	Coworking spaces	70	70	70
Filinvest Mimosa, Inc. (FMI) ⁽⁴⁾	Property management	81	81	78
Dreambuilders Pro, Inc. ⁽⁵⁾	Real estate developer	87	87	84
ProMixers Aggregates Corp.	Construction equipment supplier and operator	100	100	100
Filinvest Alabang, Inc. ⁽⁶⁾	Real estate developer	94	94	93
Proplus, Inc.	Marketing	100	100	100
ParkingPro, Inc.	Parking space management	100	100	100
Entrata Hotel Services, Inc.	Hospitality and leisure	100	100	100
Northgate Convergence Corporation	Real estate developer	100	100	100
Pro Excel Property Managers, Inc. (PPMI) ⁽⁸⁾	Real estate developer	84	84	84
<i>Power and utility operations</i>				
FDC Utilities, Inc.	Holding company	100	100	100
FDC Casecan Hydro Power Corporation	Power and utilities	100	100	100
FDC Green Energy Corp.	Power and utilities	100	100	100
FDC Misamis Power Corporation (FDC Misamis)	Power and utilities	100	100	100
FDC Renewables Corporation	Power and utilities	100	100	100
FDC Retail Electricity Sales Corporation	Electricity trading	100	100	100
FDC Water Utilities, Inc.	Water supply	100	100	100
FDC Water-FLOW Marigondon, Co. Inc.	Water supply	100	100	100
FDC Water-FLOW Talisay, Co. Inc.	Water supply	100	100	100
FDC Water-FLOW SRP, Co. Inc.	Water supply	100	100	100
Countrywide Water Services, Inc. (CWSI)	Water supply	100	100	100
<i>Sugar operations</i>				
Pacific Sugar Holdings Corporation	Agriculture	100	100	100
Davao Sugar Central Company, Inc. (DSCC)	Agriculture	100	100	100
Cotabato Sugar Central Company, Inc. (CSCC)	Agriculture	100	100	100
High Yield Sugar Farms Corporation (HYSFC)	Agriculture	100	100	100
<i>Hospitality operations</i>				
Mactan Seascapes Services, Inc. (MSSI)	Hotel	100	100	100
Filinvest Hospitality Corporation (FHC)	Hotel management	100	100	100
Hospitality Enterprise Resources Corporation	Hotel management	100	100	100
Baguio Mountainscapes, Inc.	Hotel	100	100	100
Boracay Seascapes, Inc. (BSI)	Hotel	100	100	100
Chinatown Cityscapes Hotel, Inc.	Hotel	100	100	100
Dauin Seascapes, Inc.	Hotel	100	100	100
Duawon Seascapes Resort, Inc. (DSRI)	Hotel	100	100	100
Dumaguete Cityscapes, Inc.	Hotel	100	100	100
Fora Services, Inc.	Hotel	100	100	100
Gensan Cityscapes, Inc.	Hotel	100	100	100
Mimosa Cityscapes, Inc. (MCI)	Hotel	100	100	100
Princesa Seascapes, Inc.	Hotel	100	100	100
Zamboanga Cityscapes, Inc.	Hotel	100	100	100
NSI ⁽³⁾	Recreational Sports and Nature Club	25	25	25
Quest Restaurants, Inc.	Restaurant	100	100	100
Baker J Concepts, Inc. (BJCI)	Restaurant	100	100	100
Fora Restaurants, Inc.	Restaurant	100	100	100
Chroma Hospitality, Inc.	Hotel management	100	100	100
<i>Other operations</i>				
Filinvest Ventures, Inc.	Holding company	100	100	100
Filinvest International Pte. Ltd.	Holding company	100	100	100
Filinvest Business Services Corporation (FBSC)	Business process outsourcing	87	87	87
Corporate Network Communities, Inc.	Information technology support	100	100	100



Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2025	2024	2023
Filinvest Development Corporation Cayman Islands	Holding company	100	100	100
f(dev) Digital Innovations and Ventures, Inc. (FDIVI)	Holding company	100	100	100
Qwote Marketplace Technologies, Inc.	Information technology support	100	100	100
SharePro, Inc. (SPI) ⁽⁷⁾	Business process consultancy	86	86	83
ProActive Professionals Corp. (PPC) ⁽⁹⁾	Business process outsourcing	87	87	84
Filinvest Infra-Solutions Ventures, Inc. (FIVI)	Infrastructure	100	100	—

- (1) The percentage ownership in EWBC includes indirect ownership through FVI of 37.9%.
(2) FLI's ownership interest in FILRT increased to 63% on May 29, 2025, through a tax-free property-for-share swap (see Note 5).
(3) NSI is owned 75.0% by FLI and 25.0% by FHC.
(4) The percentage ownership in FMI includes 47.5% share of FLI.
(5) The percentage ownership in DPI includes 45.0% share of FLI.
(6) The percentage ownership in FAI includes indirect ownership through FLI of 20.0%.
(7) The percentage ownership in SPI includes 45.0% share of FLI and 20.0% share of FAI.
(8) The percentage ownership in PPMI includes 47.5% share of FLI and 47.5% share of FAI.
(9) The percentage ownership in PPC includes 40.0% share of FLI and 40.0% share of FAI.

Noncontrolling Interests

Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results in the noncontrolling interest having a deficit balance.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, *Lack of exchangeability*, which 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 adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 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*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*



Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- 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 Group is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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*

Material Accounting Policies

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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



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

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - initial recognition and measurement

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at FVPL.

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

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date, i.e., the date that an asset is delivered to or by the Group. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Group. Securities transactions and related commission income and expense are recorded also on a settlement date basis. Deposits, amounts due to banks and customers, and loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.



Derivatives are recognized on trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Trade date accounting refers to (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

As of December 31, 2025 and 2024, the Group's financial assets comprise of financial assets at amortized cost, financial assets at FVPL and financial assets at FVOCI.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four (4) categories:

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

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method less any allowance for credit losses, with the calculated interest recognized as interest income under "Other income" line item in the consolidated statement of income.

The Group classified cash and cash equivalents, loans and receivables (excluding advances to officers, employees and sugar planters), investment securities at amortized cost and other financial assets (i.e., deposit to suppliers, returned cash and other cash items, investment in bonds, restricted cash, short term deposits under "Other assets" line items in the statement of financial position).

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost. For the years ended December 31, 2025 and 2024, the Group has not made such designation.

Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.



For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at FVOCI include investments in government debt securities and private bonds.

Financial assets designated at FVOCI (equity instruments)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading.

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

The Group's equity instruments at FVOCI include investments in quoted and unquoted equity securities.

Financial assets at FVPL

Debt instruments that do not meet the amortized cost or FVOCI criteria, or that meet the criteria, but the Group has chosen to designate as at FVPL at initial recognition, are measured at FVPL. Equity investments are classified as at FVPL, unless the Group designates an investment that is not held for trading as at FVOCI at initial recognition. Derivative assets classified as at FVPL are those that are not designated under hedge accounting treatment.

The Group's financial assets at FVPL include investments in government securities, private bonds, equity securities held for trading purposes and derivative assets.

Financial assets at FVPL are initially measured at fair value without considering transaction costs. Subsequently, financial assets at FVPL are re-measured at fair value, and fair value gains and losses on these instruments are recognized as "Trading and securities gain (loss)" under "Other income" in the consolidated statement of income. Interest earned on these investments is reported in the consolidated statement of income under "Interest income" while dividend income is reported in the consolidated statement of income under "Other income" when the right of payment has been established. Quoted market prices, when available, are used to determine the fair value of these financial instruments. If quoted market prices are not available, their fair values are estimated based on inputs provided by the *Bangko Sentral ng Pilipinas* (BSP), Bureau of Treasury and investment bankers. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques.

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the Bankers Association of the Philippines (BAP) closing rate at the date of the statement of financial position. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at FVPL, the foreign exchange component is recognized in the statement of income. For financial assets designated as at FVOCI, any foreign exchange component is recognized in OCI. For foreign currency-denominated debt instruments classified at



amortized cost, the foreign exchange gains and losses are determined based on the amortized cost of the asset and are recognized in the consolidated statement of income.

Reclassification of financial assets

Subsequent to initial recognition, the Group may reclassify financial assets only if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- from FVPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVPL or equity financial assets at FVOCI at initial recognition is not permitted.

A change in the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the reporting period following the change in the business model.

Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Day 1' Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial liabilities - subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in 2 categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at FVPL

Financial liabilities are classified as at FVPL when the financial liability is either held for trading or is designated as at FVPL.



A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Management may designate a financial liability at FVPL upon initial recognition when the following criteria are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities 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.

The Group's financial liabilities at FVPL include derivative liabilities.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy 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 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 liability component on the date of issue.

Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

As of December 31, 2025 and 2024, loans and borrowings consist primarily of deposit liabilities, bills and acceptance payable, accounts payable, accrued expenses and other liabilities (excluding payables to government), lease liabilities and long-term and short-term debt.

Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as cross currency swaps, to hedge its foreign currency risks and interest rate risks. Such 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 are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment



- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Impairment of Financial Assets and Contract Assets

The Group (excluding banking and financial services)

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for other receivables and a vintage analysis for contracts receivable and contract assets that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Banking and financial services

Expected credit loss methodology

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is based on reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, and the time value of money. The objective of the impairment model is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the next 12 months after the reporting date. Lifetime ECLs are credit losses that result from all possible default events over the expected life of a financial instrument.

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced SICR since initial recognition. The Group recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced SICR since initial recognition, evidenced by missed payments (for monthly amortizing exposures) and/or the significant increase in the likelihood of default. The Group recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of the financial asset. The ECL model requires that lifetime ECL be recognized for credit-impaired financial instruments.

For the movement of accounts to better stages (i.e. from Stage 2 or 3 to Stage 1 or 2):

- Financial instruments are moved to better stages when there is significant improvement to the credit risk such that the criteria for assessment of the better stage are met and/or there is consistent evidence of good credit behavior by the borrower.

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired (POCI) assets. These are recorded at fair value at initial recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

Definition of “default” and “cure”

For the calculation of ECL, the Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes: 1) 91 days past due for amortizing exposures; or 2) non-collection of full amounts at maturity date for non-amortizing loans or bullet-payment loans. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate likelihood of non-payment when an account is under litigation. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., cured) when it no longer meets any of the default criteria and there is sufficient evidence to support full collection through payments received for at least 6 months.



Credit risk at initial recognition

The Group has an internal credit assessment process to determine the credit risk of exposures at initial recognition. The Group has separate models for its key portfolios in which the customers are rated using internal credit rating grades. The models incorporate both qualitative and quantitative information.

Significant increase in credit risk (SICR)

The Group monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Group assesses whether there has been a SICR since initial recognition. A set of defined empirical-based rules and expert judgment that discriminate good and bad credit make up the SICR model. For corporate loans and investments to debt-type instruments, accounts are considered to have a SICR if the equivalent Probability of default (PD) exceeds the Group's set threshold. Also for corporate loans, SICR is recognized when there is at least 2-notch downgrade in the borrower's risk rating. For consumer loans, accounts are considered to have SICR when there is material increase in PD since origination, and/or, upon missed payment, there is high likelihood that the account will flow to default. For all loans, the Group also considers an account to have a SICR if contractual payments are more than thirty (30) days past due or the account is considered "watchlist".

Restructuring

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to create a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges. Accounts subjected to distressed restructuring with indications of unlikelihood to pay are categorized as impaired accounts and are initially moved to Stage 3.

Assessment of ECL on a collective basis

The Group calculates ECL either on an individual or collective basis. The Group performs collective impairment by grouping exposures into smaller homogenous portfolios based on a combination of borrower and account characteristics. Accounts with similar attributes (i.e., type of facility) are pooled together for calculating provisions based on the ECL models.

ECL parameters and methodologies

ECL is a function of the PD, Exposure at default (EAD) and Loss given default (LGD), with consideration for the expected timing of the loss, and is estimated by incorporating forward-looking economic information through the use of statistical techniques and/or experienced credit judgment.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or within the remaining life of the exposure for Stage 2. The PD for each individual instrument is modelled based on historical data and is adjusted for current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristics of the portfolio, behavior of the accounts and materiality of the portfolio as compared to the total portfolio.



EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts from irrevocable committed credit lines, EAD includes an estimate of any further amounts to be drawn at the time of default (i.e., credit conversion factor). LGD is the amount that may not be recovered in the event of default and is modelled based on historical net cash flow recoveries from collections and the sale of foreclosed assets.

Economic overlays

The Group incorporates economic overlays into its measurement of ECL. A broad range of economic overlays are considered as economic inputs, such as GDP growth, inflation rates, unemployment rates and interest rates. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect these, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Group's loans and receivables consists of different portfolios, such as auto, corporate, credit card receivables, mortgage loans, as well as other receivables (e.g., personal, branch, emerging enterprise lending, and Department of Education (DepEd) loans). In compliance with PFRS 9, the Group has developed ECL parameters and methodologies for each portfolio, using historical data as well as forward-looking inputs and assumptions.

Undrawn Loan Commitments

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. Starting January 1, 2019, these contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and undrawn amounts of irrevocable loan commitments is recognized in the statement of financial position.

Financial guarantees

Financial guarantees are initially recognized at fair value. Subsequent to initial recognition, the Group's liability under each financial guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement and the amount of related ECL.

Restructured loans

Loan restructuring may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subjected to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for impairment and credit losses' in the statement of income.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or,



- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

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

Modification of financial assets

In certain circumstances, the Group modifies the original terms and condition of a credit exposure to form a new loan agreement on payment schedule. The modification can be given on the borrower's or counterparty's current or expected financial difficulty. The modification may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of period payments and accrual of interest and charges.

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered "solely payment for principal and interest"

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

Financial liabilities

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



Repurchase Agreements (Securities Sold Under Repurchase Agreement (SSURA))

SSURA under agreements to repurchase at a specified future date (“repos”) are not derecognized from the consolidated statement of financial position. The corresponding cash received, including accrued interest, is recognized as “SSURA” under “Bills and acceptances payable” line item in the consolidated statement of financial position and is considered a loan to the Group, reflecting the economic substance of such transaction.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Real Estate Inventories

Lots, condominium and residential units for sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land acquisition costs and expenses directly related to acquisition;
- Amounts paid to contractors for development and construction; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

In case of sales cancellation, the Group can repossess the properties and hold it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are accounted for as inventories and recognized at its fair value less cost to repossess at the time of cancellation.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventory recognized in consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property sold, including an allocation of any non-specific costs based on the relative size of the property sold.

Land and land development

Land and land development consist of properties with ongoing development that are intended for real estate projects for sale and are carried at the lower of cost and NRV. The cost of land and land development includes the following: (a) land acquisition costs, (b) costs incurred relative to acquisition and transfer of land title in the name of the Group such as transfer taxes and registration fees, (c) costs incurred on initial development of the raw land in preparation for future projects, and (d) borrowing costs. They are transferred to lots, condominium and residential units for sale under “Real estate inventories” when the project plans, development and construction estimates are completed and the necessary permits are secured.



Coal, Spare Parts and Other Inventories

Coal, fuel and spare parts inventories

Coal, fuel and spare parts inventories are measured at the lower of cost and NRV. Cost is determined using the following method per type of inventory:

- Coal fuel - cost is determined using specific identification method on a per shipment basis.
- Diesel fuel and other consumables - cost is determined using the weighted moving average method.
- Spare parts - cost is determined using the first in, first out method.

NRV is the estimated current replacement cost. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Hospitality inventories

Hotel inventories include food, beverages and supplies and are measured at the lower of cost and NRV. Cost is determined using the moving average method. Cost includes acquisition cost and expenses directly related to the purchase and amounts paid to suppliers. NRV for food and beverages is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of supplies inventory is the estimated current replacement cost. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Sugar inventories

Sugar inventories are measured at the lower of cost and NRV. Cost is determined by the weighted average production cost for sugar and, by the moving average method for materials and supplies. Cost includes acquisition cost and expenses directly related to the purchase and production of sugar and amounts paid to suppliers. NRV for sugar is the estimated selling price in the ordinary course of business, less estimated cost of completion and expenses necessary to consummate the sale. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Investment Properties

Investment properties consist of commercial mall, land, office buildings and other properties held for long-term rental yields and for capital appreciation and land held with undetermined future use. Investment properties also include right-of-use (ROU) assets involving real properties that are subleased to other entities. Investment properties, except for land are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost, less impairment in value, if any. Initial cost of investment properties consists of its purchase price, including taxes and any directly attributable costs of bringing the investment properties to its intended location and working condition, including borrowing costs.

Foreclosed properties are recorded as “Investment properties” upon: (a) entry of judgment in case of judicial foreclosure; (b) execution of the Sheriff’s Certificate of Sale in case of extra-judicial foreclosure; or (c) notarization of the Deed of Dacion in case of dation in payment (*dacion en pago*). Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value.

Constructions-in-progress (CIP) are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete. CIP is not depreciated until such time as the relevant assets are completed and put into operational use.



For those ROU assets that qualify as investment properties, i.e., those parcels of land that are subleased by the Group, these are classified under investment properties. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at cost less amortization and impairment in value.

Expenditures incurred after the investment properties have been put in operations, such as repairs and maintenance costs, are normally charged against income in the period in which costs are incurred. Depreciation of investment properties is computed using the straight-line method over the estimated useful lives (EUL) of these assets as follows:

	Years
Buildings and improvements	10-50
Furniture, fixtures and machineries	5-15

The EUL and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

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

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

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for land that is carried at cost less any impairment in value. These also include ROU assets related to building and machineries.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use including borrowing cost. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

The cost of an item of property, plant and equipment also includes the costs of its dismantling, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item. Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

- a. subject to (b), changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.



- b. the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.
- c. if the adjustment results in an addition to the cost of an asset, the entity shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss.

The depreciable amount of the asset is depreciated over its useful life. Once the related asset reached the end of its useful life, all subsequent changes in the liability shall be recognized in profit or loss as they occur.

CIP is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and are ready for operational use.

Depreciation is calculated on a straight-line basis over the EUL of the assets as follows:

	Years
Buildings	20-50
Coal thermal power plant	10-30
Machinery and equipment	5-20
Transportation equipment	5
Communication equipment	5
Furniture and fixtures	3-5

Leasehold improvements are amortized over the EUL (i.e., three (3) to 15 years) or lease term, whichever is shorter.

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

Investments in Joint Ventures and Associate

A joint arrangement may either be a joint venture or a joint operation.

Investments in joint ventures

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of comprehensive income and consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.



The Group recognizes its share of the losses of the joint venture until its share of losses equals or exceeds the carrying value of its investment in joint venture, at which point the Group discontinues recognizing its share of further losses. The Group restricts the elimination to the amount required to reduce the investment to zero.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in joint venture and its carrying value, and recognizes the loss in the profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in the profit or loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Joint operation

The Group recognizes in relation to its interest in joint operation its: (a) assets, including its share of any assets held jointly; (b) liabilities, including its share of any liabilities incurred jointly; (c) revenue from sale of its share of the output arising from the joint operation; (d) share of the revenue from the sale of the output by the joint operation; and (e) expenses, including its share of any expenses jointly incurred.

The Group's investments in joint arrangements include: East West Ageas Life Insurance Corporation (EWAL; 50.0%), Professional Operations and Maintenance Experts Incorporated (PROMEI; 47.5%), Filinvest-ENGIE Renewable Energy Enterprise, Inc. (FREE; 60.0%), Filinvest-Hitachi Omni Waterworks, Inc. (FHOWI; 60.0%), Spectrum Alabang Properties, Inc. (SAPI; 60.0%), Investree Philippines, Inc. (IPI; 50.0%), Filinvest Corporate City (FCC; 74.0%) and South Station Terminal (SST; 49.0%). Despite the Group's interest of more or less than 50.0% on these entities, these are treated as joint arrangements due to existence of contractual arrangements between the parties.

EWAL, PROMEI, FREE, FHOWI, SAPI and IPI are accounted for as joint ventures while FCC and SST are accounted for as joint operations.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment in an associate is carried at cost, plus post-acquisition changes in the Group's share of net assets of the associate.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. The Group recognizes its share of the losses of the associate until its share of losses equal or exceeds its interest in the associate, at which point the Group discontinues recognizing its share of further losses. Any change in OCI of those investees is presented as part of the Group's OCI. When



there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The reporting dates of the associate and the Group are identical and the accounting policies conform to these used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in an associate and its carrying value, and recognizes the loss within share of profit or loss of an associate reported under “Expenses” in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets, excluding goodwill and branch licenses, are carried at cost, less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income.

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

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Intangible assets include goodwill, Build-Transfer-Operate (BTO) rights, branch licenses, capitalized software, and customer relationships and core deposits. Goodwill is presented separately in the consolidated statement of financial position.



Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following the Group's interest in the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changed in circumstances indicate that the carrying value may be impaired.

Branch licenses

Branch licenses are determined to have indefinite useful lives. These are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortized. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

BTO rights

BTO rights pertain to the cost related to the BTO agreements entered into by the Group. These are carried at cost less accumulated amortization, and impairment loss, if any. These are amortized using the straight-line method over the economic useful life (i.e., 25 years) and assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and method are reviewed at least each reporting period.

Capitalized software

Capitalized software acquired separately is measured at cost on initial recognition. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its EUL of five (5) to 10 years.

Customer relationship and core deposit

Customer relationship and core deposit are intangible assets acquired by the Group through business combination. These intangible assets are initially measured at their fair value at the date of acquisition. The fair value of these intangible assets reflects expectations about the probability that the expected future economic benefits embodied in the asset will flow to the Group.

Following initial recognition, customer relationship and core deposits are measured at cost less accumulated amortization and any accumulated impairment losses. Customer relationship related to the credit cards business is amortized on a straight-line basis over its useful life of 40 years while the customer relationship related to the auto loans business and core deposits are amortized on a straight-line basis over its useful life of 13 and 10 years, respectively.

Reposessed Assets

Reposessed assets comprise of reposessed vehicles which are measured at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis using the remaining useful life from the time of acquisition of the asset. The useful life of other reposessed assets is estimated to be five (5) years which is being reviewed periodically.

Biological Assets

Biological assets consist of sugarcane crops. The costs of planting, fertilizers and maintenance incurred for the sugarcane plantations prior to harvest are capitalized to biological assets and are charged to operations as the sugarcane are harvested.



Biological assets are measured at their fair value. The Group uses the future selling price and gross margin of finished goods less future growing costs applied to the estimated volume of harvest as the basis of fair value.

Impairment of Nonfinancial Assets

The carrying values of investment properties, property, plant and equipment, investments in joint ventures and associate and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost of disposal and value-in-use (VIU). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the consolidated statement of income.

For nonfinancial assets, excluding goodwill and branch licenses, 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 exist, the Group estimates the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of the asset is increased to its recoverable amount but the amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Branch licenses

Branch licenses are tested for impairment annually at the statement of financial position date either individually or at the CGU level, as appropriate. Impairment losses relating to branch licenses can be reversed if there is an increase in the recoverable amount in future periods, provided that the reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognized.



Equity

Capital stock and Additional paid-in capital (APIC)

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. When the shares are issued at a premium, the difference between the proceeds and the par value is credited to APIC account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. Direct cost incurred related to the equity issuance, are charged to APIC account. In the absence of APIC, the direct costs are charged against retained earnings.

Retained earnings

Retained earnings represent accumulated net earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries and accumulated equity earnings from joint ventures and associate included in the consolidated retained earnings are available for dividend declaration when these are declared as dividends by the subsidiaries as approved by their respective Board of Directors (BOD).

Dividends on common shares are deducted from retained earnings when declared and approved by the BOD or shareholders of the Parent Company. Dividends payable is recorded as liability until paid. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

The partial disposal or acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity under “Retained earnings” of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Treasury shares

Own equity instruments which are reacquired are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company’s own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is charged to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance.

Revenue Recognition

Revenue from contracts with customers

The Group is in the business of providing banking and financial services, power supply and hospitality services. The Group is also in the business of selling real estate development projects and sugar.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements (except when otherwise stated) because it typically controls the goods or services before transferring them to the customers.

The disclosures of significant accounting judgments and estimates relating to revenue from contracts with customers are provided in Note 3.



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

a. Real Estate Operations

Sale of lots, condominium and residential units

- *Revenue from sale of lots, condominium and residential units*

The Group derives its real estate revenue from sale of lots, condominium and residential units. Revenue from the sale of real estate projects under pre-completion stage are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Starting January 1, 2024, in determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the project accomplishment reports prepared by the third-party project managers for high-rise real estate developments and internal project engineers for mid-rise real estate development. The project technical head integrates, reviews and approves the surveys of performance to date of the construction activities of subcontractors.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables is included in the "Contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation, the difference between the fair value of the repossessed property less cost to repossess and the outstanding receivable and related accounts at the time of cancellation is recognized in profit or loss.

- *Costs of sales of lots, condominium and residential units*

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.



Common usage service area (CUSA) charges and air conditioning dues (included as part of 'Rental and related services')

CUSA charges are recognized when the related services are rendered. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Other dues

For the administration fees, electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

Theater and parking sales and snack bar sales (included as part of 'Rental and related services')

Revenue from theater sales is recognized over time using output method when theater services are rendered. Revenue from snack bar sales is recognized at a point in time when goods are actually sold to customers.

b. Hospitality Operations

Hospitality revenues

Hospitality revenues consist of revenue from room related services, sale of food and beverage, gift and souvenir, golf operations and other operating departments. These are accounted for as follows:

- Revenue from sale of food and beverage, and gift and souvenir is recognized at the time the goods are served or delivered.
- Revenue from rooms and/or golf operations is recognized over time as the related services are rendered and/or facilities and amenities are used.
- Revenue from other operating departments is recognized over time as the related services are rendered.

c. Banking and Financial Services

Service charges and penalties

Service charges and penalties earned over a period of time are accrued over that period as the customer simultaneously receives and consumes the benefits provided by the Group. Service charges and penalties are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer and excludes amounts collected on behalf of third parties.

Commissions earned on credit cards

Commissions earned on credit cards are taken up as income upon receipt from member establishments of charges arising from credit availments by credit cardholders. These commissions are computed based on certain agreed rates and are deducted from amounts remittable to member establishments.



Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus certain percentage of cost. The excess over cost is credited to Unearned discount and is shown as a deduction from “Loans and receivables” in the consolidated statement of financial position.

The unearned discount is taken to income over the installment terms and is computed using the EIR method.

Customer loyalty programmes

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The Group allocates a portion of the consideration received from interchange from credit cards to the reward points. This allocation is based on the estimated stand-alone selling prices. The amount allocated to the customer loyalty program is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. Income generated from customer loyalty programmes is recognized as part of “Service charges, fees and commissions” under “Other Income” in the consolidated statement of income.

d. Power and Utility Operations

Power and utility revenues

Power and utility revenues consist of revenue from generation and from sale of retail electricity. Revenue is recognized overtime using output method in the period actual capacity is generated or transmitted since the customer consumes the benefit from the performance of the related dispatched of energy.

As a practical expedient allowed under PFRS 15, the Group recognizes power revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every kilowatt-hour (kwh) of electricity delivered. The transaction price allocated to the remaining performance obligation is not separately disclosed as the Group recognizes revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to invoice.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulation Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

e. Sugar Operations

Sale of sugar and molasses

Revenue from sale of sugar and molasses is recognized at the point when control of the goods is transferred to the customer through the issuance of invoice or when actual payment is received.

Milling revenue

Milling revenue is recognized upon conversion of the planters’ cane into raw sugar based on the fair value of the mill share determined at the average raw sugar selling prices in the week of production.



Contract Balances

Receivables

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

Contract assets

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

Contract liabilities

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

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract (Commission expenses)

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense method is included as part of "Expenses" in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to land acquisition costs.



Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

For real estate operations, the Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within “Costs” and “Expenses” in the consolidated statement of income, respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, management judgement is also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

a. Real Estate Operations

Rental and related services

Rent income arising from investment properties is recognized in the consolidated statement of income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of tenants, pursuant to the terms of the lease contracts. Leases under contingent rents are recognized as income in the period in which they are earned.

Income from forfeited reservations and collections

Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act (RA) 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Other income

Income is recognized when services are rendered and when goods are delivered.



b. Hospitality Operations

Other income

Other income consists of interest income which is recognized as it accrues taking into account the effective yield of the asset and other income from hospitality operations which is recognized when the related services are rendered or the right to receive payment is established.

c. Banking and Financial Services

Interest income

Under PFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortized cost, interest rate derivatives for which hedge accounting is applied and the related amortization/recycling effect of hedge accounting. Interest income on interest bearing financial assets at FVOCI under PFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability. The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

Other income

Income from sale of services or properties is recognized when the control of such services or properties are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.



d. Power and Utility Operations

Other income

Income from sale of services is recognized upon rendition of the service. Income from sale of goods are recognized upon completion of the earning process and the collectability of the sales price is reasonably assured.

e. Sugar Operations

Other income

Other income includes tolling income, conversion rights income, fertilizer assistance income and storage fees and handling income. Other income is recognized when the related services are rendered and the collectability of the sales price or charges is reasonably assured.

Costs and Expense Recognition

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

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or,
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Retirement Benefit Costs

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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



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

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

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

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

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

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

The Group as a Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.



The Group as a Lessee

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

(i) ROU assets

The Group 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, initial direct costs incurred, and 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.

The Group classifies its ROU assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its EUL and the lease term as follows.

	Years
Land	8-52
Building	4-47
Machinery and equipment	22

ROU assets are subject to impairment. Refer to the accounting policies on impairment of nonfinancial assets.

(ii) Lease liabilities

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

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

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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). It also applies the leases of low-value assets recognition exemption to leases of



office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Income Taxes

Current income tax

Current income 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 income tax

Deferred income tax is provided 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 income tax liabilities are recognized for all taxable temporary differences, except; (a) where deferred income tax liability arises from the initial recognition of goodwill or 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 profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over 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 MCIT and unused NOLCO can be utilized.

The carrying amount of deferred income 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 income tax assets to be utilized. Unrecognized deferred income 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 income tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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. Income tax relating to items recognized directly in other comprehensive income is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

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

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. They are capitalized if directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs in the consolidated statement of financial position.



The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

For investment properties, interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

For "Land and land development" under real estate inventories, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended sales, including but not limited to pre-construction activities such as permitting, design, planning and actual land development activities and are not ready to be sold in its current condition.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended sale are completed. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

All other borrowing costs are expensed as incurred.

Earnings per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company for the year by the weighted average number of common shares outstanding after giving retroactive effect for any stock dividends, stock options or reverse stock splits during the period.

Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares and bonds. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Foreign Currency Transactions and Translations

The functional and presentation currency of each the Parent Company and its subsidiaries joint ventures and associates is the Philippine Peso, except for the Foreign Currency Deposit Unit (FCDU) of EWBC. For financial reporting purposes, the monetary assets and liabilities of the FCDU and the foreign currency-denominated monetary assets and liabilities of the Group are translated in Philippine Peso based on the closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rate at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities of the Group are credited to or charged against operations in the



period in which the rates change. Exchange differences arising from translation of the accounts of the FCDU to Philippine peso as the presentation currency are taken to the consolidated statement of comprehensive income under “Translation adjustments” account.

Nonmonetary items that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the consolidated financial statements where the Group acts in a fiduciary capacity such as nominee, trustee or agent.

Provisions

A provision is recognized when the Group 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. 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 interest expense. When the Group expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingencies

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

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is one that provides products or services within a particular economic environment that is subject to risks and returns that are different from those segments operating in other economic environments. The Group’s operations are organized according to the nature of products and services provided. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects: (a) the nature of the products and services; (b) the nature of the production processes; (c) the type or class of customer for their products and services; (d) the methods used to distribute their products or provide their services; and (e) if applicable, the nature of the regulatory environment. Financial information on business segments is presented in Note 35.

Events After the Reporting Date

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



3. Material Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Estimates and judgments 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 Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

a. Evaluation of business model for managing financial assets and sale of investment securities at amortized cost

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match expected cash outflows and maintain adequate level of high-quality liquid assets while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Group's business model allows for financial assets to be hold-to-collect (HTC) contractual cash flows even when sales of certain financial assets occur. PFRS 9, however, emphasizes that if more than infrequent and more than insignificant sales are made out of a portfolio of financial assets carried at amortized cost, the entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers the following to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with HTC business model if the Group can explain the reason for those sales and why those sales do not reflect a change in the Group's objective for the business model:

- sales or derecognition of debt instrument under any of the circumstances spelled out under the relevant BSP Circulars on PFRS 9;
- sales in preparation for funding a potential aberrant behavior in the depositors' withdrawal pattern triggered by news of massive withdrawals or massive withdrawal already experienced by other systemically important banks in the industry;
- sales attributable to an anticipated or in reaction to major events in the local and/or international arena that may adversely affect the collectability of the debt instrument and seen to prospectively affect adversely the behavior of deposits or creditors; and
- sales that the Asset-Liability Management Committee (ALCO) deems appropriate to be consistent with managing the Group's balance sheet based upon but are not limited to the set risk limits and target ratios that have been approved by the BOD.



b. Testing the cash flow characteristics of financial assets

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

c. Revenue recognition - Real estate operation

- *Existence of a contract*

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as purchase application form and official receipts considering collection from buyer, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price.

- *Buyer's equity*

Collectability is also assessed by considering factors such as historical experience with customers and pricing of the property. Management regularly evaluates the historical cancellations, if it would still support its current threshold of customers' equity before commencing revenue recognition.

- *Revenue recognition method and measure of progress*

The Group concluded that revenue from sale of lots, condominium and residential units is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use; and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

d. Contingencies and provisions

In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe



these proceedings will have material effect on the Group's financial position and results of operations.

e. Determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

The Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined, based on its tax compliance review, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

f. Adoption of a 'no tax' regime for FILRT

As a Real Estate Investment Trust (REIT) entity, FILRT can choose to operate within one of two tax regimes (i.e., a 'full tax' regime or a 'no tax' regime). The REIT entity can effectively operate under a 'no tax' regime provided that it meets certain conditions (e.g., listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income tax-free entity.

As of December 31, 2025 and 2024, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a "no-tax" regime. FILRT did not recognize any deferred tax assets and deferred tax liabilities in 2025 and 2024.

g. Determination of joint control over investments in joint ventures

Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is presumed to exist when the investors contractually agree on the sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Based on the provisions of the joint venture arrangements, the parties to the joint venture arrangements have to agree in order for any resolution to be passed relating to the joint venture entity's relevant activities. This joint arrangement is classified as a joint venture since the parties have rights to the net assets of the joint venture entity.

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Revenue recognition and measure of progress for real estate sales

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the POC are measured principally on the basis of physical completion of real estate project.

For the years ended December 31, 2025, 2024 and 2023, the sales of lots, condominium and residential units amounted to ₱20,170.5 million, ₱17,567.0 million and ₱16,094.8 million, respectively.



b. Determining transaction price of sale of real estate

The Group determines whether a contract contains a significant financing component by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfer the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for the good or service will be one (1) year or less. The Group determined that its transaction price on certain sales of real estate recognized over time includes significant financing component.

c. Evaluation of impairment of loans and receivables, contract assets, financial assets at FVOCI and investment securities at amortized cost

Real estate operations

The Group uses the vintage analysis to calculate ECLs for contract receivables and contract assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, market segment and collateral type).

The vintage analysis (the model) is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

The information about the ECLs on the Group's contract receivables and contract assets is disclosed in Notes 7 and 13.

Banking and financial services

In 2025 and 2024, the Group made some enhancements and updates to the ECL model of the Group as follows:

- updating of the coverage data for the historical components of the model, thus, incorporating the impact of the post-pandemic recovery;
- refinements to the segmentation that further granularizes and therefore, differentiates between borrower behavior
- refinements to the framework for the selection of the base, best and worst economic outlook to be applied to ECL and their corresponding weights or likelihood of occurrence; and
- refinements to the staging criteria of consumer and corporate loans



The updated data coverage is the basis for establishing the relationship between economic conditions and default through the macroeconomic overlay model as well as through the cycle (i.e. historical) default and recovery experience of the Group. The framework for the selection of economic outlook is used in the generation of economic forecasts that serve as input for estimating the forward-looking expected loss.

The measurement of credit losses under PFRS 9 across all categories of financial assets requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and interdependencies. Significant elements of the models include, among others:

- segmenting the Group's credit risk exposures;
- the Group's definition of default;
- determining the method to estimate ECL;
- identifying exposures with significant deterioration in credit quality;
- determining assumptions to be used in the ECL model such as the counterparty credit risk rating;
- the expected life of the financial asset and expected recoveries from defaulted accounts; and
- incorporating forward-looking information (called overlays) in calculating ECL.

The carrying values of loans and receivables and the related allowance are disclosed in Note 9, while the carrying values of debt financial assets at FVOCI and amortized cost and their related allowances are disclosed in Note 12.

Power and utility operations

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

In 2025 and 2024, the Group specifically identified impaired receivables amounting to ₱845.23 million and ₱240.31 million (see Note 10). In 2025 and 2024, the ECL from the impairment exercise using a provision matrix is zero.

As of December 31, 2025 and 2024, the carrying value of loans and receivables amounted to ₱3,282.9 million and ₱4,789.1 million, respectively (see Note 10).

d. Estimating NRV of real estate inventories

The Group adjusts the cost of its real estate inventories costs to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have significantly increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.



As of December 31, 2025 and 2024, the carrying value of real estate inventories amounted to ₱85,132.1 million and ₱78,900.3 million, respectively (see Note 14). No impairment losses were recognized since the carrying values are lower than NRV for the years ended December 31, 2025, 2025 and 2024.

e. Evaluation of impairment of goodwill and branch licenses

Goodwill and branch licenses are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and branch licenses is based on VIU calculations that use a discounted cash flow model. The cash flows are derived from the forecast as approved by the BOD and do not include restructuring activities that the Group is not yet committed to nor significant future investments that will enhance the asset base of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rates used for the discounted cash flow model, as well as, the revenue growth rates, gross margins and terminal growth rates used.

Goodwill from acquisition of PSHC and subsidiaries (sugar business)

The pre-tax discount rates used were 11.9% and 12.4% in 2025 and 2024, respectively. The growth rate used beyond the five-year forecast projection was 0.5% in 2025 and 2024. This was based on expected areas to be harvested and the total harvest per area.

Goodwill from various bank acquisitions and branch licenses

Future cash flows from CGUs were estimated based on the theoretical annual income of the CGU. Key assumptions in VIU calculation of the CGUs are most sensitive to: (a) interest margin; (b) discount rates; (c) market share during the budget period; and (d) projected growth rates used to extrapolate cash flows beyond the budget period. The pre-tax discount rate used was 13.3% and 12.3%, for American International Group, Inc. Philam Savings Bank Group (AIGPASB), EWRB, Standard Chartered Bank (SCB) and Ecology Savings Bank, Inc. (ESBI) in 2025 and 2024, respectively. The average growth rate was derived from average increase in annual income during the last five (5) years, while growth rate used to extrapolate cash flows beyond the forecast five-year period is 6.0% as of December 31, 2025 and 2024.

Goodwill from acquisition of FILRT

The pre-tax discount rates used were 9.4% to 11.0% in 2025 and 2024. The growth rates used beyond the forecast period for different cash-generating units were 3.6% to 5.0% and 3.5% to 4.0% in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Group has determined that its goodwill and branch licenses are not impaired. The carrying values of goodwill and branch licenses amounted to ₱10,381.2 million and ₱2,167.6 million as of December 31, 2025 and 2024, respectively. (see Notes 4 and 20).

f. Evaluation of impairment of nonfinancial assets (other than goodwill and branch licenses)

The Group reviews property, plant and equipment, investment properties, investments in joint ventures and associate and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indications are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less cost to sell, or its VIU.



The fair value less cost to sell is the amount to be received from the sale of an asset in an arm's length transaction, while VIU is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

In 2025, 2024 and 2023, the Group recognized provision for probable losses and, as of December 31, 2025 and 2024, the carrying values of the Group's nonfinancial assets are included in Notes 16, 17, 18 and 20 to the consolidated financial statements.

g. Recognition of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized. Further details are provided in Note 34.

h. Fair value of derivatives

Management applies valuation techniques to determine the fair value of derivatives that are not quoted in active market. Valuation techniques are used to determine fair values which are validated and periodically reviewed by qualified independent personnel. All models are reviewed before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, the models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to develop estimates and assumptions. Changes in assumptions about these factors could affect reported fair values of derivatives. The Group uses judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value measurements of financial instruments (including derivatives) as of December 31, 2025 and 2024 are disclosed in Note 36.

4. Goodwill and Business Combinations

As of December 31, 2025 and 2024, goodwill arising from business combinations in the Group's consolidated statements of financial position consists of (amounts in thousands):

PSHC	₱6,177,310
Standard Chartered Bank (SCB) Philippines' retail banking business, QMIS and ASIA	2,560,561
EWRB and Green Bank, Inc. (GBI)	397,474
FILRT	326,553
Other bank acquisitions	919,254
	<u>₱10,381,152</u>

Goodwill from acquisition of PSHC and subsidiaries

In June 2007, the Parent Company acquired from ALGI 100.0% interest in PSHC in exchange for its own shares. The acquisition of PSHC includes its wholly owned subsidiaries, DSCC, CSCC and HYSFC (the sugar business). The acquisition was accounted for as a business combination and resulted in recognition of goodwill. The value assigned to the sugar business was based on the valuation done by a third-party professional firm, based on factors and assumptions considered relevant at that time. As of December 31, 2025 and 2024, goodwill from the acquisition of PSHC amounted to ₱6,177.3 million.



Asset and share transfer agreement with SCB and SCMB Overseas Limited

On May 6, 2016, EWBC entered into an Asset and Share Transfer Agreement (the Agreement) with SCB and SCMB Overseas Limited. The acquisition was approved by the BSP on August 8, 2016. On November 25, 2016, after satisfying all the conditions under the Agreement, the transfer of assets and liabilities was completed. This resulted in goodwill amounting to ₱2,560.6 million.

Goodwill from acquisitions of EWRB and GBI

In 2011, the acquisition of GBI resulted in goodwill amounting to ₱374.0 million. In 2012, the acquisition of EWRB resulted in goodwill amounting ₱23.5 million. In October 2013, the branches coming from GBI were combined with the branch operations of EWRB. Consequently, the goodwill from the acquisition of EWRB and GBI were allocated to the branch operations of EWRB, which is considered as a single CGU for purposes of impairment testing.

Goodwill from acquisition of FILRT

In February 2010, FLI acquired 40.0% interests in FILRT from another stockholder to obtain full control of the joint venture. The acquisition resulted in FILRT becoming wholly owned subsidiary of FLI. The acquisition of the joint venture partner's interest was accounted for as business combination and resulted in recognition of goodwill amounting to ₱326.6 million.

Goodwill from other bank acquisitions

The business combination between EWBC and American International Group, Inc. Philam Savings Bank (AIGPASB) in 2009 resulted in goodwill amounting to ₱769.0 million, which has been allocated to the auto and credit cards lending unit acquired from AIGPASB.

The business combination between EWBC and Ecology Savings Banks, Inc. (ESBI) in 2003 resulted in goodwill amounting to ₱172.8 million, which has been allocated to various branches acquired from ESBI. As of December 31, 2025 and 2024, the carrying amount of goodwill, after impairment of ₱22.6 million recognized in prior years, amounted to ₱150.2 million.

5. Subsidiaries with Noncontrolling Interests

The noncontrolling interests in the immediate Parent Company's partially owned subsidiaries as of December 31, as disclosed in Note 2, follows:

	2025	2024
EWBC	22.1%	22.1%
FLI	28.6	28.6
FILRT	36.7	48.9
FBCI	45.0	45.0
FAC	40.0	40.0
PDDC	40.0	40.0
FSMCI	40.0	40.0
TSNC	2.0	2.0
CDC	5.0	5.0
FAI	5.7	5.7



Property-for-Share Swap Transaction

On January 24, 2025, FLI's and FILRT's BOD approved the sale of FLI real property to FILRT under a tax-free property-for-share swap transaction. FLI transferred ownership over Festival Supermall Main Mall in favor of FILRT, in exchange for 1,626,003,316 primary common shares of FILRT at an issue price of ₱3.85 per share, with a total value of ₱6.26 billion. On March 5, 2025, FLI and FILRT executed the Memorandum of Agreement and the Deed of Exchange.

On May 27, 2025, the SEC issued the Certificate of Approval of Valuation for the Transaction and the related shares were issued on May 29, 2025. This transaction reduced noncontrolling interest in FILRT from 48.9% to 36.7%. The related decrease in noncontrolling interests and increase in retained earnings amounted to ₱1,748.7 in 2025.

Capped Voluntary Tender Offer

On December 11, 2024, FLI settled its Capped Voluntary Tender Offer, which was filed on October 2, 2024. FLI has reacquired a total of 1,866,000,000 common shares in exchange for 597,120,000 FILRT common shares. As a result of the voluntary tender offer, FLI's interest in FILRT decreased to 51.1% and this resulted to transfer of ₱1,033.6 million from "Retained earnings" to "Noncontrolling interests" in the consolidated statement of changes in equity. FLI's voluntary tender offer further resulted to the increase in FDC's ownership interest to 71.4% as of December 31, 2024.

Additional Investments

On May 2 and March 12, 2024, FDC purchased 125,153,960 and 120,000,000 FLI shares for a total consideration of ₱81.8 million and ₱82.6 million, respectively. These resulted to an increase in the FDC's ownership interest from 64.9% to 65.4% and from 65.4% to 65.9% in March and May 2024, respectively. The related decrease in noncontrolling interests and increase in retained earnings amounted to ₱859.1 million and ₱688.4 million, respectively, in 2024.

Dividend Declarations

Total dividends declared and paid to noncontrolling interests follow:

	Total Dividends Declared			Share of Noncontrolling Interests		
	2025	2024	2023	2025	2024	2023
FLI	₱1,123,188	₱1,216,488	₱875,871	₱322,858	₱419,365	₱306,704
EWBC	1,529,983	1,214,986	922,491	338,859	269,094	203,871
FILRT	1,483,252	1,237,873	1,389,549	581,839	454,671	510,381
FAC	150,000	350,000	375,000	60,000	140,000	150,000
PDDC	—	100,000	—	—	40,000	—



The summarized financial information of EWBC and FLI, with material noncontrolling interests, are provided below. This information is based on amounts after consolidation but before intercompany eliminations.

Summarized Statements of Financial Position as of December 31, 2025 and 2024

	2025		2024	
	FLI	EW	FLI	EW
	(In Thousands)			
Assets:				
Cash and cash equivalents	₱5,181,402	₱44,779,423	₱3,984,191	₱42,233,263
Loans and receivables	5,339,834	380,778,221	5,741,674	336,410,619
Financial assets at FVPL	—	13,388,007	—	9,257,409
Financial assets at FVOCI	15,535	26,381,571	15,535	29,004,906
Investment securities at amortized cost	—	84,651,590	—	81,922,750
Contract assets	10,237,238	—	8,439,093	—
Real estate inventories	74,020,754	—	69,967,114	—
Investment properties	88,160,761	1,605,268	85,041,035	1,161,268
Property and equipment	5,815,691	6,925,301	5,812,719	7,400,080
Investment in a joint venture	—	995,132	—	1,125,395
Investments in associates	5,460,881	—	5,321,210	—
Deferred tax assets - net	147,476	5,088,902	96,032	4,085,435
Goodwill	4,567,242	3,877,289	4,567,242	3,877,289
Other assets	15,233,478	8,650,841	17,893,806	8,259,434
Liabilities:				
Deposit liabilities	—	(437,840,135)	—	(386,399,033)
Bills and acceptance payable	—	(30,350,778)	—	(40,117,180)
Accounts payable, accrued expenses and other liabilities	(22,816,232)	(19,425,616)	(22,826,684)	(17,395,085)
Contract liabilities	(541,907)	(1,048,191)	(610,413)	(853,211)
Retirement liabilities	(497,867)	(602,151)	(398,736)	(629,676)
Income tax payable	(65,614)	(574,208)	(71,732)	(200,466)
Long-term and short-term debt	(82,754,810)	—	(77,889,232)	—
Lease liabilities	(7,116,050)	(5,735,222)	(6,930,338)	(6,076,170)
Deferred tax liabilities - net	(4,039,227)	—	(4,817,004)	—
Total Equity	₱96,348,585	₱81,545,244	₱93,335,512	₱73,067,027
Attributable to:				
Equity holders of the Parent Company	₱70,747,945	₱63,519,023	₱69,571,070	₱56,886,506
Noncontrolling interests	21,140,397	18,026,221	21,047,239	16,180,521
Noncontrolling interests in subsidiaries	4,460,243	—	2,717,203	—

Summarized Statements of Comprehensive Income for the Years Ended December 31, 2025 and 2024

	2025		2024	
	FLI	EW	FLI	EW
	(In Thousands)			
Revenues and other income	₱25,369,280	₱60,726,140	₱24,086,862	₱51,247,127
Equity in net income (loss) of associates and joint venture	529,071	(151,670)	359,036	112,745
Costs and operating expenses	(16,133,837)	(49,316,202)	(15,119,780)	(41,843,955)
Interest and other finance charges	(4,077,585)	—	(3,685,747)	—
Income before income tax	5,686,929	11,258,268	5,640,371	9,515,917
Provision for income tax	(879,096)	(2,037,708)	(1,004,635)	(1,908,351)
Net income	4,807,833	9,220,560	4,635,736	7,607,566
Other comprehensive income (loss)	(29,733)	787,640	—	(500,715)
Total comprehensive income	₱4,778,100	₱10,008,200	₱4,635,736	₱7,106,851
Attributable to noncontrolling interests:				
Net income	₱636,134	₱—	₱467,268	₱—
Total comprehensive income	636,134	—	467,268	—
Dividends paid to noncontrolling interests	641,839	—	634,671	—



Summarized Statements of Cash Flows Information for the Years Ended December 31, 2025 and 2024

	2025		2024	
	FLI	EW	FLI	EW
Cash flows from (used in):		(In Thousands)		
Operating activities	₱7,881,639	₱8,770,793	₱7,014,527	(₱17,375,650)
Investing activities	(3,248,916)	6,548,378	(4,788,412)	(7,061,023)
Financing activities	(3,435,512)	(12,773,011)	(3,973,932)	22,217,106
Net decrease in cash and cash equivalents	₱1,197,211	₱2,546,160	(₱1,747,817)	(₱2,219,567)

The entire proceeds from FILRT's listing and any subsequent sale thereafter shall be used in accordance with its reinvestment plan. As a REIT entity, FILRT is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations (IRR). Per Section 8 of the REIT IRR issued by the SEC, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its Deposited Property; provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its Deposited Property. Provided, further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management.

6. Cash and Cash Equivalents

This account consists of:

	2025	2024
	(In Thousands)	
Cash	₱8,855,989	₱7,258,258
Short-term placements	4,351,599	12,184,783
Due from BSP (Note 21)	20,257,501	27,361,439
Due from other banks	9,291,343	4,749,339
Interbank loans receivable (IBLR)	6,793,380	763,554
	₱49,549,812	₱52,317,373

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents consist of short-term placements are made for varying periods of up to three (3) months and earn interest at the respective short-term deposit rates. Interest income earned on the Group's cash and cash equivalents amounted to ₱180.7 million, ₱242.7 million and ₱221.8 million in 2025, 2024 and 2023, respectively (see Note 27).

Interest earned on the Group's Due from BSP, Due from other banks and IBLR amounted to ₱283.6 million, ₱237.2 million and ₱390.5 million in 2025, 2024 and 2023, respectively (see Note 35).

There is no restriction on the Group's cash and cash equivalents as at December 31, 2025 and 2024.



7. Loans and Receivables - Real Estate Operations

This account consists of:

	2025			2024		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Contracts receivable	₱6,153,709	₱—	₱6,153,709	₱4,717,975	₱—	₱4,717,975
Receivables from tenants	2,154,359	—	2,154,359	2,784,809	—	2,784,809
Receivables from buyers	791,887	—	791,887	442,412	—	442,412
Advances to officers and employees	560,510	—	560,510	442,440	—	442,440
Receivable from government and other financial institutions	247,095	—	247,095	557,958	—	557,958
Receivables from Homeowners Associations (HOA)	198,360	—	198,360	115,837	—	115,837
Receivable from sale of joint venture lots	8,492	—	8,492	1,364,028	—	1,364,028
Due from related parties (Note 26)	6,698	—	6,698	6,496	—	6,496
Others	1,025,306	—	1,025,306	1,067,310	—	1,067,310
	11,146,416	—	11,146,416	11,499,265	—	11,499,265
Less allowance for ECL	16,010	—	16,010	114,380	—	114,380
	₱11,130,406	₱—	₱11,130,406	₱11,384,885	₱—	₱11,384,885

Contracts receivables are collectible over varying periods within two (2) to 15 years. These receivables arising from real estate sales are collateralized by the corresponding real estate properties sold.

Interest income recognized on contracts receivable and others amounted to ₱170.2 million, ₱199.5 million and ₱174.0 million in 2025, 2024 and 2023, respectively (see Note 27). Interest rates on contracts receivable range from 11.5% to 19.0% per annum in 2025, 2024 and 2023.

The Group has a mortgage insurance contract with Philippine Guarantee Corporation, a government insurance company for a retail guaranty line. As of December 31, 2025 and 2024, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱116.1 million and ₱193.6 million, respectively.

As of December 31, 2025 and 2024, the remaining unutilized guaranty line amounted to ₱1.4 billion.

Receivables from tenants represent charges to tenants for rentals and utilities which are normally collectible within one (1) year.

Receivables from buyers mainly pertain to advances for fit-out funds and other advances relating to insurance and other expenses chargeable to buyers.

Receivables from government and other financial institutions pertain to government and bank-financed real estate sales. These are collectible within one (1) year.

Receivables from HOA represent claims of the Group's projects for the payments of expenses on behalf of the associations.

Advances to officers and employees are advances for project costs, marketing activities, travel and other expenses arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted.



Others represent receivable from service fees and advances for selling, marketing and administrative expenses of international sales offices arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted, among others.

Movements in allowance for ECL on receivables from tenants and HOA, which were specifically identified as impaired, follow:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱114,380	₱94,561
Provisions (Note 29)	—	19,819
Write off	(98,370)	—
Balance at end of year	₱16,010	₱114,380

8. Loans and Receivables - Hospitality Operations

This account consists of:

	2025	2024
	(In Thousands)	
Trade receivables	₱263,855	₱295,761
Due from related parties (Note 26)	48,027	93,242
Advances to officers and employees	5,134	7,134
	₱317,016	₱396,137

Trade receivables pertain to receivables from credit card companies, travel agents and corporate guests, which are noninterest bearing and are collectible within one (1) year.

Advances to officers and employees refer to advances for travel, sales and marketing expenses, insurance and other expenses arising from ordinary course of business. These are liquidated within seven (7) days after actual use of the advances.

9. Loans and Receivables - Banking and Financial Services

This account consists of:

	2025	2024
	(In Thousands)	
Receivables from customers*:		
Consumer lending	₱313,251,412	₱266,602,986
Corporate lending	52,820,981	47,254,031
	366,072,393	313,857,017
Unamortized premium	7,075,401	7,497,247
	373,147,794	321,354,264
Other receivables	12,824,544	13,585,843
	385,972,338	334,940,107
Less allowance for ECL	14,427,386	11,480,756
	₱371,544,952	₱323,459,351

**Net of unamortized modification loss of ₱78.9 million and ₱150.9 million as of December 31, 2025 and 2024, respectively.*



Consumer lending receivables include gross credit card receivables amounting to ₱102,980.0 million and ₱73,590.7 million as of December 31, 2025 and 2024, respectively.

Receivables from customers consist of:

	2025	2024
	(In Thousands)	
Loans and discounts	₱367,789,395	₱315,344,062
Customers' liabilities under letters of credit/trust receipts	4,874,087	5,075,728
Bills purchased	484,312	934,474
	₱373,147,794	₱321,354,264

Interest income from these loans and receivables amounted to ₱42,929.8 million, ₱36,029.4 million and ₱29,222.5 million in 2025, 2024 and 2023, respectively (see Note 35).

Movements in allowance for ECL on receivables from customers, which were collectively identified as impaired, follow:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱11,480,756	₱11,923,717
Provisions (Note 29)	14,141,830	9,195,589
Write-off	(11,195,200)	(9,638,550)
Balance at end of year	₱14,427,386	₱11,480,756

Provision for credit losses on loans and receivables of the Bank amounted to ₱14.1 billion, ₱9.2 billion, ₱6.5 billion in 2025, 2024 and 2023, respectively (see Note 29).

10. Loans and Receivables - Power and Utility Operations

This account consists of:

	2025	2024
	(In Thousands)	
Trade receivables	₱4,554,195	₱5,376,210
Due from related parties (Note 26)	157,901	51
Other receivables	45,876	42,661
	4,757,972	5,418,922
Less allowance for ECL	1,475,071	629,839
	₱3,282,901	₱4,789,083

Trade receivables pertain to receivables from electric cooperative for the transmitted power. These receivables are noninterest-bearing and are due every 25th of the month of the immediately succeeding billing period.

The allowance pertains to the receivables that were specifically identified as impaired as of December 31, 2025 and 2024.



Other receivables pertain mainly to advances to officers and employees, which will be liquidated or charged against salary.

Movements in allowance for ECL on trade receivables, which were specifically identified as impaired, as of December 31 follow:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱629,839	₱389,525
Provisions (Note 29)	845,232	240,314
Balance at end of year	₱1,475,071	₱629,839

In 2025 and 2024, additional restructuring agreements were entered by the Group. The restructured amounts shall be paid through monthly installments for a period of one (1) year and shall not bear any interest. Loss on restructured receivables amounted to nil in 2025 and 2024.

The trade receivables are subject to late payment interest rate to 3.0% per month based on 360-day year term. The related interest earned on these receivables amounted to ₱62.5 million, ₱61.1 million, ₱163.7 million in 2025, 2024 and 2023, respectively (see Note 27).

11. Loans Receivables - Sugar Operations

This account consists of:

	2025	2024
	(In Thousands)	
Trade receivables	₱38,921	₱37,131
Advances to:		
Sugar planters (Note 33)	137,940	136,092
Officers and employees	7,198	5,189
	184,059	178,412
Less allowance for ECL	23,126	24,704
	₱160,933	₱153,708

Advances to sugar planters pertain to various incentives (i.e., fertilizers, canepoints and tractor services). These are usually offset against the planter's share of sales proceeds.

Advances to officers and employees represent advances for travel, marketing and other expenses, loans availed by employees and officers, including educational and loans arising from ordinary course of business. These are liquidated upon the accomplishment of the purposes for which the advances were granted or deducted from the salaries of officers and employees.

As of December 31, 2025 and 2024, loans and receivables from sugar operations are collectible within one (1) year.



Movements in the allowance for ECL on advances to sugar planters, which were specifically identified to be impaired, as of December 31 follow:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱24,704	₱23,900
Provisions (Note 29)	1,453	18,371
Write-off	(3,031)	(17,567)
Balance at end of year	₱23,126	₱24,704

12. Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income, and Investment Securities at Amortized Cost

The Group has the following trading and investment securities:

Financial Assets at FVPL

This account consists of:

	2025	2024
	(In Thousands)	
Government securities	₱13,282,848	₱9,163,963
Derivative assets	94,946	–
Equity securities	10,213	10,312
	₱13,388,007	₱9,174,275

As of December 31, 2025 and 2024, financial assets at FVPL include net unrealized gain (loss) amounting to ₱263.87 million and (₱287.08 million), respectively.

In 2025, 2024 and 2023, the yield rates ranged from 4.4% to 7.2%, 3.2% to 8.4% and 3.9% to 8.0%, respectively.

Financial Assets at FVOCI

This account consists of:

	2025	2024
	(In Thousands)	
Government debt securities	₱19,351,022	₱21,762,659
Private bonds	7,012,115	7,227,180
Quoted equity securities	1,353,867	946,710
Unquoted equity securities	29,911	47,060
	₱27,746,915	₱29,983,609

In 2025, 2024 and 2023, the interest rates of financial assets at FVOCI range from 1.38% to 8.32%, 0.13% to 8.32%, and 0.13% to 8.32%, respectively.



The roll-forward of revaluation reserve on financial assets at FVOCI is as follows:

	2025	2024
	(In Thousands)	
Balance at beginning of year	(P851,950)	(P518,425)
Changes in fair value of financial assets at FVOCI	1,191,934	(333,525)
Balance at end of year	P339,984	(P851,950)

In 2025 and 2024, the Group's change in fair value reserves on financial assets at FVOCI debt and equity securities amounted to P851.70 million and (P416.72 million), respectively.

The cumulative net unrealized gain (loss) on financial assets at FVOCI (net of the share of noncontrolling interests) presented as "Revaluation reserve on financial assets at FVOCI" amounted to P496.5 million and (P547.1 million) as of December 31, 2025 and 2024, respectively.

Investment Securities at Amortized Cost

This account consists of:

	2025	2024
	(In Thousands)	
Government securities	P82,835,642	P80,148,154
Private bonds	1,819,491	1,785,732
	84,655,133	81,933,886
Less allowance for impairment losses	3,543	11,136
	P84,651,590	P81,922,750

Peso-denominated government bonds have effective interest rates ranging from 5.0% to 8.0% in 2025, 2024 and 2023. Foreign currency-denominated bonds have EIRs ranging from 4.4% to 7.1% in 2025, 4.4% to 6.7% in 2024 and 2.8% to 6.7% in 2023.

Interest income on trading and investment securities amounted to P6,506.1 million, P5,464.0 and P4,330.1 million in 2025, 2024 and 2023, respectively (see Note 35).

Trading and securities gain (loss) of the Group on financial assets at FVPL, financial assets at FVOCI, futures and interest rate swaps consist of (see Note 27):

	2025	2024	2023
	(In Thousands)		
Financial assets at FVPL	P356,201	P74,891	P266,982
Financial assets at FVOCI	193,701	367,980	—
US treasury futures	(4,041)	(41,727)	70,845
Interest rate swaps	(167)	(6)	—
	P545,694	P401,138	P337,827



13. Contract Balances

Contract Assets and Contract Liabilities

As of December 31, 2025 and 2024, the Group's contract assets amounted to ₱10,237.2 million and ₱8,436.6 million, respectively, while contract liabilities amounted to ₱1,506.4 million and ₱3,156.4 million, respectively.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as contracts receivable. This is reclassified to contracts receivable when the monthly amortization of the customer is already due for collection.

In 2025 and 2024, the Group entered into an Agreement for Purchase of Receivables with local banks. The banks agreed to buy the contract assets on a without recourse basis, and the Group agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. In 2025 and 2024, total proceeds from these transactions equivalent to the carrying value of the contract assets sold amounted to ₱15.1 billion and ₱11.7 billion, respectively.

Contract liabilities amounting to ₱429.4 million and ₱2,108.4 million as of December 31, 2025 and 2024, respectively, pertains to collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on POC.

Contract liabilities also include deferred credit card and loyalty point, membership fees and dues and deferred exclusive bancassurance access fee amounting to ₱1,048.2 million and ₱853.2 million, as of December 31, 2025 and 2024, respectively.

Contract liabilities amounting to ₱28.8 million and ₱194.8 million as of December 31, 2025 and 2024, respectively, include deposits received from guests for hotel services.

The movement in contract liability is mainly due to revenue recognition of completed performance obligations. The amount of revenue recognized in 2025 and 2024 from amounts included in contract liabilities at the beginning of the year amounted to ₱406.8 million and ₱450.3 million, respectively.

Performance Obligation

Information about the Group's performance obligations are summarized below:

Real estate operations

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the (a) lot; (b) house and lot; and (c) condominium unit. There is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the purchase application form and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include downpayment of 20% to 30% of the contract price spread over a certain period (e.g., one (1) to two (2) years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which



ranges from two (2) to 10 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides a one-year warranty to repair minor defects on the delivered house and lot and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2025 and 2024 amounted to ₱1.1 billion and ₱3.1 billion, respectively. Performance obligation for the transaction price amounting to ₱1.0 billion and ₱2.8 billion will be satisfied within one year as of December 31, 2025 and 2024, respectively.

The remaining performance obligations expected to be recognized within one year and in more than one (1) year relate to the continuous development of the Group's real estate projects. The Group's mid-rise condominium units and high-rise condominium units are completed within three (3) and five (5) years, respectively, from start of construction while house and lots are expected to be completed within 12 months.

Hospitality operations

The Group's hospitality operations deal with guests who are required to pay hotel room charges which cover room services, or room services and meals. The Group concluded that providing room services and selling of meals are two (2) distinct performance obligation. The hotel room rate is fixed and has no variable consideration. In allocating the hotel room charges, the Group considers the cost plus a predetermined margin for the meals and assigns the remaining transaction price to revenue from room services.

Guests usually pay in advance either in full or partially to guarantee reservation. Guests are required to settle all outstanding bills before check-out. Corporate accounts and travel agencies are required to pay 30 days from billing date.

Revenue from golf operations includes golf playing rights dues, green fees, golf cart rentals and other fees. Revenue from golf operations are recognized over the period the related services are rendered. Revenue from other operating departments include services availed by guests related to spa, sports, leisure, guest transportation, laundry and telephone and internet connections. These are recognized as revenue when the related services are rendered.

Banking and financial services

Interest income is recognized for all financial instruments measured at amortized cost and interest-bearing financial instruments classified as FVPL. Interest income is recorded at the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as interest income.

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the award credits and the other components of the sale. Income generated from customer loyalty programmes is recognized as "Service charges, penalties, fees and commissions" under "Other income" in the consolidated statement of income.

Service charges, fees and commission income are recognized only upon collection or accrued when there is a reasonable degree of certainty as to its collectability. These fees are generally payable within one (1) year.



Power and utility operations

Power revenues consist of revenue from generated power and power purchased from wholesale electricity spot market (WESM) and from sale of retail electricity. Revenue from power generation pertains to the operation of the 3x135 megawatts (MW) Circulating Fluidized Bed Coal Thermal Power Plant while revenue from sale of retail electricity (non-generation) pertains to the sale to customers of electricity purchased from Wholesale Electricity Spot Market (WESM) which is sold to customers at contract price.

The Group entered into Electric Power Purchase Agreement (EPPA) and retail supply contracts (RSC) with two (2) identified performance obligations: (i) to deliver electric power to customers, and (ii) provide ancillary services to customers. These two (2) performances obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer. Revenue is recognized over time using output method in the period when actual capacity is generated since the customer consumes the benefit from the performance of the related dispatch of energy.

As a practical expedient allowed under PFRS 15, the Group recognizes power revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every MW of electricity delivered. The transaction price allocated to the remaining performance obligation is not separately disclosed as the Group recognizes revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to invoice.

Some contracts with customers provide unspecified quantity of energy and/or include provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

As indicated in the EPPA and RSC, the customer is required to settle within 25 days after the billing cut-off date. In case of delays in payments, a penalty of 3.0% per month is charged for the amount due for the duration of delay. The RSC would typically require a customer to pay a security deposit equivalent to projected highest monthly power bill for the first contract year of the contract to serve as a guarantee for payment of obligation, with the excess to be returned to the customer.

While the EPPA provides for a fixed fee for every MW of electricity delivered, this fee cannot be billed by the Company to the customers without the approval of ERC.

The Group considers the price differential as a variable consideration as it is susceptible to factors outside its influence (i.e., approval of ERC of the rates and manner of recovery). Pending receipt of the final ERC-approved rates, the Group only recognizes revenue from price differential once the final approved rate is granted by ERC, including the applicable recovery scheme. The Group recognizes power revenue based on ERC-approved rates, or time-of-use rates when there are no ERC-approved rates.

The Group assessed that it is acting as the principal in its RSC arrangements with customers. The Group has assessed that it has control over the specified good or service before it is transferred to the customers as evidenced by the Power Supply Agreement (PSA) with power suppliers. The Group assessed that it is primarily responsible for providing the services to the customers, has the latitude in establishing prices, and bears the customer's credit risk for the amount of receivable from the customers.



Sugar operations

The Group enters into milling contracts with various planters, which provide for profit-sharing between the planters and the Group of the sugar and molasses produced in the sugar mill. The milling contracts are effective for a period of 15 agricultural crop years, subject to extension of another 15 crop years at the option of the Group (see Note 33).

Revenue from processing of the planters' sugarcane to raw sugar (milling) and planter's and other third party's raw sugar into refined sugar (tolling) is recognized over time as the customer receives the benefit from the performance of the related service.

Revenue from sugar sales is recognized at a point when control over the sugar and molasses are transferred to the customer through the issuance of invoice or when actual payment is received.

Cost to Obtain Contracts and Contract Fulfillment Assets

The roll-forward of the cost to obtain contract included in other assets is as follows:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱290,616	₱367,514
Additions	417,632	734,410
Amortization (Note 29)	(604,891)	(811,308)
Balance at end of year (Note 20)	₱103,357	₱290,616

Amortization of cost to obtain contract is recognized as part of "Commission" under "Expenses" in the consolidated statements of income.

For the years ended December 31, 2025 and 2024, additions of contract fulfillment assets amounted to ₱286.9 million and ₱732.1 million, respectively, while amortization of contract fulfillment costs amounted to ₱1.2 billion and ₱1.0 billion, respectively. Contract fulfillment assets is included as part of real estate inventories.

The Group reviews its major contracts to identify indicators of impairment of contract fulfillment assets by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

In determining the estimated amount of consideration, the Group used the same principles as it does to determine the contract transaction price.

In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates on cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.



14. Real Estate Inventories

This account consists of:

	2025	2024
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	₱50,867,473	₱46,893,492
Land and land development	34,264,589	32,006,824
	₱85,132,062	₱78,900,316

A summary of the movement in lots, condominium and residential units for sale is set out below:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱46,893,492	₱41,499,850
Construction/development costs incurred	12,155,596	12,300,446
Transfers from land and land development	653,508	805,103
Transfers (to) from investment properties (Note 16)	(92,761)	42,952
Costs of inventories sold (Note 28)	(8,742,362)	(7,754,859)
Balances at end of year	₱50,867,473	₱46,893,492

A summary of the movements in land and land development is set out below:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱32,006,824	₱33,277,853
Site development and incidental costs	1,197,395	1,071,201
Land acquisitions	80,021	52,668
Transfers to lots, condominium and residential units for sale	(653,508)	(805,103)
Transfers from (to) investment properties (Note 16)	1,633,857	(1,589,795)
Balance at end of year	₱34,264,589	₱32,006,824

Borrowing costs capitalized as part of land and land development costs, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱809.3 million, ₱766.2 million and ₱620.2 million in 2025, 2024 and 2023, respectively (see Note 24). Capitalization rates used were 6.1% in 2025, 5.5% in 2024 and 5.2% in 2023.



15. Coal, Spare Parts and Other Inventories

This account consists of:

	2025	2024
	(In Thousands)	
Power inventories - at cost		
Spare parts	₱1,009,136	₱748,493
Coal	437,430	647,422
Fuel and others	205,616	189,261
	1,652,182	1,585,176
Sugar inventories		
Sugar and molasses - at cost	850,729	482,633
Materials and supplies - at NRV	265,973	233,972
	1,116,702	716,605
Hospitality inventories - at cost		
Food and beverage	42,390	47,533
Others	48,299	47,740
	90,689	95,273
	₱2,859,573	₱2,397,054

These inventories are not pledged or used as collateral to secure any obligation as of December 31, 2025 and 2024.

16. Investment Properties

The roll-forward analysis of this account as of December 31 follows:

	2025					
	Land	Buildings and Improvements	Furniture, Fixtures and Machineries	Construction in Progress	ROU Assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	₱38,334,524	₱34,330,533	₱449,953	₱39,295,853	₱3,911,424	₱116,322,287
Additions	615,122	914,883	19,094	3,778,174	—	5,327,273
Disposals (Notes 14 and 17)	(8,260)	(17,402)	—	—	(846,565)	(872,227)
Transfers	(1,559,412)	18,315	—	—	—	(1,541,097)
Balances at end of year	37,381,974	35,246,329	469,047	43,074,027	3,064,859	119,236,236
Accumulated depreciation and amortization						
Balances at beginning of year	—	11,374,310	414,823	—	832,916	12,622,049
Depreciation and amortization (Notes 28 and 29)	—	1,558,019	7,319	—	135,423	1,700,761
Disposals (Notes 14 and 17)	—	(9,757)	—	—	—	(9,757)
Balances at end of year	—	12,922,572	422,142	—	968,339	14,313,053
Accumulated impairment loss						
Balances at beginning of year	54,354	4,844	—	—	—	59,198
Provision for (reversal of) probable losses (Note 29)	500	921	—	—	—	1,421
Disposals/transfers (Notes 14 and 17)	(1,306)	1	—	—	—	(1,305)
Balances at end of year	52,548	5,766	—	—	—	58,314
Net book values	₱37,329,426	₱22,317,991	₱46,905	₱43,074,027	₱2,096,520	₱104,864,869



	2024					
	Land	Buildings and Improvements	Furniture, Fixtures and Machineries	Construction in Progress	ROU Assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	₱36,306,376	₱32,559,764	₱407,783	₱35,980,496	₱3,951,410	₱109,205,829
Additions	457,165	2,062,328	42,170	3,315,357	—	5,877,020
Disposals/reclassifications/others (Notes 14 and 17)	1,570,983	(291,559)	—	—	(39,986)	1,239,438
Balances at end of year	38,334,524	34,330,533	449,953	39,295,853	3,911,424	116,322,287
Accumulated depreciation and amortization						
Balances at beginning of year	—	9,806,502	396,713	—	688,748	10,891,963
Depreciation and amortization (Notes 28 and 29)	—	1,322,077	26,651	—	174,161	1,522,889
Disposals/reclassifications/others (Notes 14 and 17)	—	245,731	(8,541)	—	(29,993)	207,197
Balances at end of year	—	11,374,310	414,823	—	832,916	12,622,049
Accumulated impairment loss						
Balances at beginning of year	63,405	10,183	—	—	—	73,588
Provision for probable losses (Note 29)	11,110	2,551	—	—	—	13,661
Disposals	(20,161)	(7,890)	—	—	—	(28,051)
Balances at end of year	54,354	4,844	—	—	—	59,198
Net book values	₱38,280,170	₱22,951,379	₱35,130	₱39,295,853	₱3,078,508	₱103,641,040

The Group's investment properties include land and buildings utilized in mall operations, real estate properties and land improvements acquired in settlement of loans and receivables from banking operations, and other properties held for long-term rental yields and for capital appreciation.

Construction-in-progress pertains to buildings under construction to be leased as retail and office spaces upon completion.

Borrowing costs capitalized as part of investment properties amounted to ₱1,730.5 million, ₱1,439.0 million and ₱944.8 million in 2025, 2024 and 2023, respectively (see Note 24).

Capitalization rates used ranged from 5.6% to 6.4%, 4.3% to 6.6% and 4.3% to 6.7% in 2025, 2024 and 2023, respectively.

The aggregate fair value of the Group's investment properties amounted to ₱388.1 billion and ₱350.4 billion as of December 31, 2025 and 2024, respectively. The fair values are based on third party appraisals performed for certain assets by an SEC-accredited independent appraiser and management appraisal updated using current and year-end values and assumptions. The fair value of buildings was determined using the income approach based on discounted cash flow analysis. The fair value of land was determined using the income approach based on discounted cash flow analysis and market approach.

Under income approach, all expected cash flows from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. Under market approach, the fair value of investment properties was determined on the basis of recent sales of similar properties in the same areas as the investment properties, taking into account the economic conditions prevailing at the time the valuations were made.

The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertain to lease income growth rate and discount rate. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the lease income growth rate is accompanied by a directionally similar change in the fair value of the Group's investment properties.

The Group has no restrictions on the realizability of investment properties.



Rental and related services revenues from investment properties amounted to ₱8,448.3 million, ₱8,020.7 million and ₱7,208.4 million in 2025, 2024 and 2023, respectively (see Note 35). Costs of rental and related services (excluding amortization of BTO rights) from investment properties amounted to ₱3,556.1 million, ₱3,473.3 million and ₱2,754.0 million in 2025, 2024 and 2023, respectively (see Note 28).

The Group's investment properties are not pledged or used as collateral to secure any obligation as of December 31, 2025 and 2024

17. Property, Plant and Equipment

The roll-forward analysis of this account as of December 31 follows:

	2025								Total
	Land and Buildings	Coal Thermal Power Plant (Note 24)	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures & Communication Equipment	Leasehold Improvements	Construction in Progress	ROU Assets	
	(In Thousands)								
Cost									
Balances at beginning of year	₱12,188,246	₱30,446,579	₱8,491,246	₱405,488	₱12,059,926	₱4,820,080	₱6,059,362	₱10,455,656	₱84,926,583
Additions	177,166	727,059	166,059	7,362	527,181	496,645	7,914,230	797,326	10,813,028
Disposals	(93)	—	(53,019)	(2,517)	(194,980)	(353)	—	—	(250,962)
Transfers/others (Note 16)	(174,961)	—	64,351	(1,531)	(89,007)	(21,553)	(28,570)	(1,457,981)	(1,709,252)
Balances at end of year	12,190,358	31,173,638	8,668,637	408,802	12,303,120	5,294,819	13,945,022	9,795,001	93,779,397
Accumulated depreciation, amortization									
Balances at beginning of year	3,814,709	8,995,155	4,866,306	308,310	4,982,497	3,766,077	—	6,302,720	33,035,774
Depreciation and amortization (Notes 28 and 29)	338,509	1,142,607	340,695	14,764	537,787	237,058	—	967,067	3,578,487
Disposals/transfers/others (Note 16)	(2,331)	(14,589)	(85,642)	(23,903)	(150,537)	—	—	(1,238,200)	(1,515,202)
Balances at end of year	4,150,887	10,123,173	5,121,359	299,171	5,369,747	4,003,135	—	6,031,587	35,099,059
Net book value	₱8,039,471	₱21,050,465	₱3,547,278	₱109,631	₱6,933,373	₱1,291,684	₱13,945,022	₱3,763,414	58,680,338

	2024								Total
	Land and Buildings	Coal Thermal Power Plant (Note 24)	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures & Communication Equipment	Leasehold Improvements	Construction in Progress	ROU Assets	
	(In Thousands)								
Cost									
Balances at beginning of year	₱11,999,634	₱30,519,847	₱7,682,688	₱422,674	₱10,722,073	₱4,643,056	₱3,062,972	₱9,394,307	₱78,447,251
Additions	403,003	—	481,768	35,267	767,863	372,589	3,120,144	1,067,260	6,247,894
Transfers/others (Note 16)	(214,391)	(73,268)	326,790	(52,453)	569,990	(195,565)	(123,754)	(5,911)	231,438
Balances at end of year	12,188,246	30,446,579	8,491,246	405,488	12,059,926	4,820,080	6,059,362	10,455,656	84,926,583
Accumulated depreciation, amortization									
Balances at beginning of year	3,131,258	7,883,666	4,307,011	329,867	4,538,713	3,759,203	—	5,243,649	29,193,367
Depreciation and amortization (Notes 28 and 29)	241,789	1,150,731	289,883	39,474	683,393	93,512	—	1,059,071	3,557,853
Disposals/transfers/others (Note 16)	441,662	(39,242)	269,412	(61,031)	(239,609)	(86,638)	—	—	284,554
Balances at end of year	3,814,709	8,995,155	4,866,306	308,310	4,982,497	3,766,077	—	6,302,720	33,035,774
Net book value	₱8,373,537	₱21,451,424	₱3,624,940	₱97,178	₱7,077,429	₱1,054,003	₱6,059,362	₱4,152,936	₱51,890,809

Construction in progress pertains to buildings under construction which will be used in the operations of the Group. These are not depreciated until such time as the relevant assets are completed and put into operational use.

Construction in progress consists primarily of construction costs, professional services, including architectural and construction management and expenses in relation to the major renovations and landscaping of the Group's hospitality buildings.

Interest capitalized as part of property, plant and equipment amounted to ₱423.9 million in 2025.

Certain properties, plant and equipment are used as collateral to secure loans as of December 31, 2025 and 2024 (see Note 24).



18. Investments in Joint Ventures and an Associate

The carrying value of the Group's investments in joint ventures and an associate as of December 31 follows:

	2025	2024
	(In Thousands)	
<i>Investments in joint ventures</i>		
EWAL	₱995,132	₱1,125,394
SAPI	454,875	454,732
FREE	34,915	32,833
PROMEI	23,606	8,399
FHOWI	20,528	4,516
IPI	—	6,749
	1,529,056	1,632,623
Less allowance for impairment losses	—	64,034
	1,529,056	1,568,589
<i>Investment in an associate</i>		
LIPAD	607,062	442,250
	₱2,136,118	₱2,010,839

Investments in Joint Ventures

Below is a summary of certain financial information concerning these individually immaterial joint ventures:

	2025	2024
	(In Thousands)	
Acquisition costs		
Balance at beginning of year	₱4,219,097	₱4,219,097
Write-off	(6,749)	—
Balance at end of year	4,212,348	4,219,097
Accumulated share in net losses		
Balance at beginning of year	(2,575,793)	(2,684,463)
Share in net earnings (losses) (Note 29)	(117,426)	112,309
Return of capital	(800)	(3,639)
Balance at end of year	(2,694,019)	(2,575,793)
Accumulated share in OCI		
Balance at beginning of year	(10,681)	(30,164)
Share in OCI	21,408	19,483
Balance of end of year	10,727	(10,681)
Carrying values	₱1,529,056	₱1,632,623

Movements in allowance for impairment on investment in joint ventures identified as impaired, follow:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱64,034	₱64,034
Write-off	(64,034)	—
Balance at end of year	₱—	₱64,034



EWAL

On May 28, 2015, EWBC and Ageas Insurance International N.V. (“Ageas”) entered into a joint venture agreement to form EWAL to engage in the life insurance business with a capitalization of ₱2,010.0 million and with ultimate ownership interest of EWBC of 50.0% less one (1) share. EWBC’s initial investment amounted to ₱500.0 million. The joint venture agreement provided certain conditions that should be satisfied for the consummation of the agreement, which include among others, obtaining all the required regulatory approvals. In October 2015, the SEC approved the registration of EWAL. The registered office address of EWAL is at One World Place, 32nd Street, Bonifacio Global City, Taguig City.

In November 2015, EWAL and EWBC entered into a 20-year exclusive distribution agreement. Under the distribution agreement, EWAL will have exclusive access to the branch network of EWBC for the distribution of its insurance products (the exclusive bancassurance access). Under the joint venture agreement, within a period of seven (7) years from consummation, the joint venture entity may at any time request for additional funding from EWBC and Ageas. EWBC and Ageas each infused additional capital to EWAL amounting to ₱216.0 million and ₱575.0 million, respectively, in 2022.

Share in net earnings (losses) of EWAL amounted to (₱151.7 million), ₱112.7 million and (₱152.3 million) in 2025, 2024 and 2023, respectively (see Note 29).

Total cost of investment in EW Ageas Life amounted to ₱3,511.0 million with carrying value of ₱995.1 million and ₱1,125.4 million as of December 31, 2025 and 2024, respectively.

SAPI

SAPI was incorporated on December 16, 2019 to engage in developing, constructing, establishing, operating, leasing, maintaining, rehabilitating and/or managing commercial, recreational facilities, retail centers, residential, office buildings, mixed-use development, infrastructure and other related activities. The incorporation of SAPI was in pursuant to a joint venture agreement between FAI and Mitsubishi Corporation, a public company located in Japan, on October 3, 2019, with 60% and 40% ownership interest over SAPI, respectively.

As of December 31, 2025, SAPI has not started its commercial operations.

Share in net earnings (losses) of SAPI amounted to ₱1.8 million, ₱0.4 million and (₱5.9 million) in 2025, 2024 and 2023, respectively (see Note 29).

Total cost of investment in SAPI amounted to ₱573.9 million, with carrying value of ₱454.9 million and ₱454.7 million as of December 31, 2025 and 2024, respectively.

FREE

On October 16, 2018, FDCUI entered into a joint venture agreement with ENGIE Services Philippines (ENGIE) to incorporate FREE. On November 22, 2018, FREE was incorporated in which the Group owns 60% of the outstanding shares. Its primary purpose is to engage in the business of installation and/or operation of renewable energy systems/facilities including batteries utilize renewable energy resources.

The cost of investment in FREE amounted to ₱37.5 million, with carrying value ₱34.9 million and ₱32.8 million as of December 31, 2025 and 2024, respectively.



PROMEI

On July 4, 2019, PROMEI, a joint venture company with ENGIE was incorporated to operate, maintain and repair existing and future technical systems, including but not limited to heating, ventilation and air conditioning systems and distributed energy systems, and implement new technologies in connection with saving energy and reducing operating costs. PROMEI is 47.5% owned by FDC and 52.5% owned by ENGIE. The registered office address of PROMEI is at Unit 2103, The Orient Square, F. Ortigas, Jr. Rd. Ortigas Centre, San Antonio, Pasig City.

The cost of investment in PROMEI amounted to ₱12.0 million, with carrying value ₱23.6 million and ₱8.4 million as of December 31, 2025 and 2024, respectively.

FHOWI

On August 20, 2019, FDC and Hitachi Aqua-tech Engineering Pte. Ltd. (Hitachi) entered into a joint venture agreement to form FHOWI with the primary purpose of operating waterwork, sewerage and sanitation systems and services. On October 29, 2019, FHOWI was incorporated with 60.0% owned by FDC and 40.0% owned by Hitachi. The registered office address of FHOWI is at Unit D, 11/F Cyber Sigma Building, Lawton Avenue, Mckinley West, Barangay Fort Bonifacio, 1630 Taguig City, Metro Manila.

The cost of investment in FHOWI amounted to ₱20.6 million, with carrying value of ₱20.5 million and ₱4.5 million as of December 31, 2025 and 2024, respectively.

IPI

On October 31, 2019, FDC and Investree SG entered into a joint venture agreement to form IPI to engage in the business of software integration and providing IT solution. On May 6, 2020, IPI was incorporated. IPI is 50.0% owned by FDC and 50.0% owned by Investree SG. Subsequently, on March 26, 2021, FDC entered into a Deed of Assignment to sell its 50% ownership in IPI to FDEV amounting to ₱6.5 million.

The office address of IPI is at Unit 3012, Park Triangle Corporate Plaza North, 32nd Street corner 11th Avenue Brgy. Fort Bonifacio, Bonifacio, Taguig.

The cost of investment in IPI amounted to ₱64.0 million, with carrying value of nil and ₱6.7 million as of December 31, 2025 and 2024, respectively.

In 2023, FDIVI determined that its investment in IPI is subject for impairment since the operating partner is no longer willing to provide additional capital infusion which resulted to impairment losses amounting to ₱64.0 million. FDIVI also impaired its advances to IPI amounting to ₱42.8 million (see Note 29). In 2025, the Group has fully written off its investment in IPI.

Investment in an Associate

LIPAD

On February 18, 2019, LIPAD was incorporated to engage in the operation and maintenance of airports. LIPAD is owned 42.5% by FDC, 33.0% by JG Summit Holdings Inc. (JGSHI), 15.0% by Changi Airports Philippines (I) Pte. Ltd. (CAP) and 9.5% by the Philippine Airport Ground Support Solutions, Inc. (PAGSSI) (collectively referred to as “North Luzon Airport Consortium” or “NLAC”).

On January 21, 2019, NLAC signed the contract that grants a 25-year concession to the consortium to develop the commercial assets, operate and maintain project facilities and fit-out the new terminal in Clark.



LIPAD's commercial operations started on August 16, 2019 upon the transfer of the operations and maintenance of Clark International Airport (CIA). On June 7, 2021, the FDC signed a Shareholders' Agreement (SHA) with JG Summit Holdings Inc., Philippine Airport Ground Support Solutions Inc. and Changi Airports Philippines (I) Pte. Ltd. In connection with their ownership interest. Based on the SHA, the Group continues to have a significant influence in LIPAD.

The registered office address of LIPAD is at Clark Field, Clark Freeport Zone, Andres Bonifacio Avenue, Clark Special Economic Zone, Dau, Mabalacat City, Pampanga.

The movements in the investment in LIPAD is summarized below:

	2025	2024
	(In Thousands)	
Acquisition cost	₱595,000	₱595,000
Accumulated share in net earnings (losses)		
Balance at beginning of year	(152,750)	(156,074)
Share in net earnings (Note 29)	164,812	3,324
Balance at end of year	12,062	(152,750)
Carrying value	₱607,062	₱442,250

The joint ventures and associate have no contingent liabilities or capital commitments as of December 31, 2025 and 2024.

19. Trust Operations

Securities and other properties held by EWBC in fiduciary or agency capacity for clients and beneficiaries are not included in the accompanying consolidated statements of financial position since these are not assets of EWBC. The combined trust and managed funds operated by the Trust Department of EWBC amounted to ₱74.4 billion and ₱70.0 billion as of December 31, 2025 and 2024, respectively.

Government securities with a total face value of ₱774.0 million and ₱765.0 million as of December 31, 2025 and 2024, respectively, are deposited with the BSP in compliance with current banking regulations related to EWBC's trust functions. These government securities are recorded as part of investment securities at FVTPL and at amortized costs as of December 31, 2025 and 2024.

In accordance with BSP regulations, 10.0% of the profits realized by EWBC from its trust operations are appropriated to surplus reserves. The yearly appropriation is required until the surplus reserves for trust operations amounts to 20.0% of EWBC's authorized capital stock.

EWBC's income from its trust operations amounted ₱146.9 million, ₱137.2 million and ₱126.7 million in 2025, 2024 and 2023, respectively (see Note 27).



20. Other Assets

This account consists of:

	2025	2024
	(In Thousands)	
Intangible assets		
BTO rights (Note 33)	₱6,154,146	₱6,240,240
Branch licenses	2,167,600	2,167,600
Capitalized software	1,774,916	1,011,007
Customer relationship and core deposits	86,208	96,327
	10,182,870	9,515,174
Input taxes	4,261,797	4,642,449
Advances to contractors and suppliers	3,203,858	3,915,716
Prepaid expenses	2,208,510	2,294,610
Repossessioned assets	1,620,390	2,427,304
Creditable withholding taxes	1,615,272	3,036,684
Restricted cash (Note 24)	1,056,409	5,972,986
Deposits	923,773	769,523
Card acquisition cost	918,286	512,704
Construction materials and supplies	468,916	507,371
Deferred costs	259,309	287,164
Advances to joint venture partners	247,456	258,718
Equity on car plan	184,476	180,371
Investment in bonds	150,000	150,000
Outward clearing	143,742	104,088
Margin account	140,682	137,853
Stationery and supplies on hand	120,146	129,688
Deposits to suppliers	112,346	71,867
Cost to obtain contracts (Note 13)	103,357	290,616
Documentary stamps	89,273	121,322
Interoffice items	73,291	7,088
Short-term deposits	53,299	179,750
Biological assets (Notes 28 and 33)	47,865	46,958
Others	1,183,277	1,266,578
	29,368,600	36,826,582
Less allowance for impairment losses (Note 29)	178,886	176,971
	₱29,189,714	₱36,649,611

a. Intangible assets include:

BTO Rights

BTO rights pertain to the cost related to the BTO agreement with The Province of Cebu (Cebu Province) entered on March 26, 2012. The BTO project relates to the development, construction, and operation of the Business Process Outsourcing (BPO) Complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

In 2025, 2024 and 2023, related amortization recognized as part of Cost of rental and related services amounted to ₱233.5 million, ₱140.7 million and ₱70.6 million, respectively (see Note 28). Related rent income amounting to ₱594.9 million, ₱466.1 million and ₱455.5 million in 2025, 2024 and 2023, respectively, was recognized as part of "Rental and



related services revenues” in the consolidated statements of income. Interest incurred capitalized amounted to ₱142.7 million, ₱64.8 million and ₱90.7 million in 2025, 2024 and 2023, respectively.

Branch licenses

As of December 31, 2025 and 2024, branch licenses amounting to ₱2,167.6 million represent:

- one (1) branch license acquired by EWBC from the BSP amounting to ₱0.2 million in 2015;
- 25 branch licenses acquired by EWBC from the BSP amounting to ₱505.2 million in 2014;
- 10 branch licenses acquired by EWBC from the BSP amounting to ₱214.8 million in 2013;
- 42 branch licenses acquired by EWBC from the BSP amounting to ₱822.0 million in 2012; and
- 46 branch licenses acquired by EWBC from the acquisition of GBI amounting to ₱625.4 million in 2011.

Capitalized software

Capitalized software pertains to costs of computer software licenses and programs acquired by the Group for its banking and power and utility operations.

Customer relationship and core deposits

The business combination between EWBC and AIGPASB in 2009 resulted in the acquisition of customer relationship and core deposits amounting to ₱154.6 million and ₱40.4 million, respectively.

The business combination between EWBC and SCB in 2016 resulted in the acquisition of core deposits amounting to ₱64.7 million.

The roll-forward analysis of the Group’s intangible assets with finite lives as of December 31 follows:

	2025			
	BTO Rights	Capitalized Software	Customer Relationship and Core Deposits	Total
	(In Thousands)			
Cost				
Balances at beginning of year	₱6,947,796	₱3,115,352	₱264,500	₱10,327,648
Additions	147,356	1,230,037	–	1,377,393
Disposals	–	(118,646)	(4,746)	(123,392)
Balances at end of year	7,095,152	4,226,743	259,754	11,581,649
Accumulated amortization				
Balances at beginning of year	707,556	2,104,345	168,173	2,980,074
Amortization (Note 28)	233,450	397,757	10,119	641,326
Disposals	–	(50,275)	(4,746)	(55,021)
Balances at end of year	941,006	2,451,827	173,546	3,566,379
Net book value	₱6,154,146	₱1,774,916	₱86,208	₱8,015,270



	2024			
	BTO Rights	Capitalized Software	Customer Relationship and Core Deposits	Total
	(In Thousands)			
Cost				
Balances at beginning of year	₱6,863,079	₱2,678,913	₱264,500	₱9,806,492
Additions	84,717	436,439	—	521,156
Balances at end of year	6,947,796	3,115,352	264,500	10,327,648
Accumulated amortization				
Balances at beginning of year	566,868	1,856,175	158,054	2,581,097
Amortization (Note 28)	140,688	248,170	10,119	398,977
Balances at end of year	707,556	2,104,345	168,173	2,980,074
Net book value	₱6,240,240	₱1,011,007	₱96,327	₱7,347,574

- b. Input taxes represent the value-added tax (VAT) due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT on sale of goods and services subjected to VAT.
- c. Advances to contractors and suppliers represent downpayment to contractors and suppliers which will be applied against future billings for development and construction contracts.
- d. Prepaid expenses consist of prepayments for commission, taxes and licenses, rentals and insurance on leases, marketing fees, advertising and promotions.
- e. Repossessed assets pertain to other foreclosed properties. The movements in this account are as follows:

	2025	2024
	(In Thousands)	
Cost		
Balances at beginning of year	₱2,784,049	₱2,316,579
Additions	5,221,879	6,329,959
Disposals	(6,052,397)	(5,862,489)
Balances at end of year	1,953,531	2,784,049
Accumulated Depreciation		
Balances at beginning of year	353,625	291,373
Depreciation and amortization	494,475	603,738
Disposals	(518,727)	(541,486)
Balances at end of year	329,373	353,625
Net book value, gross of impairment	1,624,158	2,430,424
Accumulated impairment losses		
Balances at beginning of year	3,120	2,896
Provisions (Note 29)	10,074	3,032
Disposals	(9,426)	(2,808)
Balances at end of year	3,768	3,120
Net book value, net of impairment	₱1,620,390	₱2,427,304



The Group recognized net loss from the disposal of its repossessed assets amounting to ₱303.8 million, ₱416.1 million and ₱425.2 million in 2025, 2024 and 2023, respectively. This is included in “Gain (loss) on sale of assets” under “Other income” in the consolidated statement of income (see Note 27).

- f. Creditable withholding taxes are taxes withheld by the withholding agents from payment to the Group which are creditable against the income tax payable.
- g. Restricted cash pertains to funds intended for debt repayment and capital expenditures and is not available to management for any disbursement transactions other than its specified purpose (see Note 24).
- h. Deposits include advances to sellers for the purchase of land prior to issuance of contract to sell, security deposits rental deposit. EWBC’s refundable deposits with Master Card and Visa related to its credit card business and FLI’s deposits in escrow for payments of raw land pending finalization of contract to sell.
- i. Card acquisition costs pertain to commissions paid to third party service providers for the issuance of the credit card. These transaction costs are accounted for as contract assets under PFRS 15 and amortized over two (2) years.
- j. Construction materials and supplies pertain to inventories to be used in the construction and maintenance of projects.
- k. Deferred costs pertain to incurred expenditures related to project development and site preparation.
- l. Advances to joint venture partners are advances (e.g., for property taxes and permits) and are normally applied against the share of the joint venture partners from the sale of the joint venture properties.
- m. Investment in bonds consist of a five (5)-year, non-interest bearing, Class A Senior Notes with a face amount of ₱150.0 million issued by a third party special-purpose trust fund duly registered with the BSP invested by the Group on December 19, 2022.
- n. Short-term deposits pertain to cash placements with maturity of more than three (3) months up to 12 months and earn interest at prevailing market rates.
- o. Biological assets incurred expenditures consist of sugarcane crops.

The roll-forward of the Group’s biological assets as of December 31 follows:

	2025	2024
	(In Thousands)	
Balances at beginning of year	₱46,958	₱38,518
Additions (Note 28)	97,412	97,596
Costs of sales (Note 28)	(96,505)	(89,156)
Balances at end of year	₱47,865	₱46,958



The following table shows the estimated physical quantities of the Group's biological assets and raw sugar production:

	2025	2024
	(In Thousands)	
Sugarcane crops (in metric tons)	26,180	23,031
Raw sugar (in 50-kilogram bag)	48,171	39,847

There are no restrictions on the Group's biological assets as of December 31, 2025 and 2024.

21. Deposit Liabilities

This account consists of:

	2025	2024
	(In Thousands)	
Time	₱80,586,581	₱74,175,348
Savings	191,410,314	164,197,890
Demand	155,515,909	134,169,558
	₱427,512,804	₱372,542,796

Under existing BSP regulations, non-FCDU deposit liabilities of EWBC are subject to unified reserve requirements equivalent to 5.0% (under BSP Circular 1211) as at December 31, 2025.

Long-term negotiable certificates of deposits (LTNCDs) are subject to required reserves of 4.0% if issued under BSP Circular No. 304, and 7.0% if issued under BSP Circular No. 842.

On the other hand, EWRB is required to maintain regular reserves equivalent to 1.0% and 2.0% demand and savings deposits in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, EWBC and EWRB are in compliance with such regulations. As of December 31, 2025 and 2024, due from BSP (see Note 6) amounting to ₱17,974.7 million and ₱21,111.5 million, respectively, were set aside as reserves for deposit liabilities, as reported to the BSP.

As of December 31, 2025 and 2024, 18.2% and 19.7% of the total deposit liabilities are subject to periodic interest repricing.

The remaining deposit liabilities earn annual fixed interest rates ranging from 0.01% to 1.35% in 2025 and 2024 and 0.01% to 2.5% in 2023.

The Group's interest expense on deposit liabilities amounted to ₱7,606.2 million, ₱6,614.2 million and ₱4,880.4 million in 2025, 2024 and 2023, respectively (see Note 28).

As of December 31, 2025 and 2024, the current portion of deposit liabilities amounted to ₱427,061.5 million and ₱372,023.5 million, respectively (see Note 40).



22. Bills and Acceptances Payable

This account consists of borrowings from:

	2025	2024
	(In Thousands)	
SSURA	₱28,517,615	₱38,215,086
Interbank call loans	1,822,490	983,365
Interbank term loans	—	867,675
Outstanding acceptances	10,673	51,054
	₱30,350,778	₱40,117,180

The following are the fair value of government debt securities (see Note 12) pledged and transferred under SSURA transactions of the Group:

	2025		2024	
	Face value	Fair value	Face value	Fair value
Investment securities at amortized cost	₱31,954,360	₱30,695,259	₱39,009,231	₱35,900,499
Financial assets at FVTOCI	—	—	4,894,416	4,318,831

The Group's borrowings are subject to annual interest rates ranging from 2.7% to 6.1% in 2025 and 3.4% to 6.2% in 2024 and 4.6% to 5.9% in 2023.

The Group's interest expense on bills and acceptances payable amounted to ₱49.6 million in 2025, ₱226.1 million in 2024, and ₱70.8 million in 2023.

The Group entered into repurchase agreements to fund its operation amounting to ₱28.5 billion and ₱43.9 billion in 2025 and 2024, respectively. This excess liquidity is currently deployed in very liquid short-term assets.

The Group's interest expense on SSURA amounted to ₱1.3 billion, ₱1.2 billion and ₱674.1 million in 2025, 2024 and 2023, respectively.

23. Accounts Payable, Accrued Expenses and Other Liabilities

The details of this account follow:

	2025			2024		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Accounts payable	₱16,151,550	₱6,311,549	₱22,463,099	₱16,891,992	₱8,083,269	₱24,975,261
Accrued expenses	9,788,005	728,254	10,516,259	9,427,566	600,073	10,027,639
Deposits from tenants	5,615,426	1,917,414	7,532,840	3,641,919	1,805,809	5,447,728
Deposits for registration	264,751	1,912,476	2,177,227	239,726	1,731,707	1,971,433
Retention fee payable	2,858,566	1,062,362	3,920,928	2,805,644	889,104	3,694,748
Deferred revenues	1,000,870	1,161,535	2,162,405	1,414,266	622,409	2,036,675
Accrued interest	1,686,253	—	1,686,253	1,983,366	—	1,983,366
Asset retirement obligation (ARO)	7,220	839,987	847,207	—	803,681	803,681
Derivative liabilities	88,045	—	88,045	59,230	—	59,230
Due to related parties (Note 26)	45,351	—	45,351	322,906	—	322,906
Payment orders payable	22,976	—	22,976	1,208	—	1,208
Provision for unused credit lines	—	—	—	252,209	—	252,209
Other payables	3,580,050	277,114	3,857,164	2,211,201	114,095	2,325,296
	₱41,109,063	₱14,210,691	₱55,319,754	₱39,251,233	₱14,650,147	₱53,901,380



- a. Accounts payable include the outstanding balance of the purchase price for raw land, investment properties and property, plant and equipment acquired by the Group and payable upon completion of certain requirements and on agreed scheduled payment date.
- b. Accrued expenses pertain to various operating expenses incurred by the Group in the course of business such as unbilled construction cost related to ongoing projects, salaries and wages, securities and janitorial, management and professional fees, rent, power, light and water, among others.
- c. Deposits from tenants are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of tenants once due.
- d. Deposits for registration pertain to amounts collected from buyers for payment of registration of real estate properties. This account is charged for costs incurred related to transfer of title to buyers.
- e. Retention fee payable pertains to the amount withheld from the progress billings of the contractors and is released generally one year from the completion of the construction agreement.
- f. ARO is related to the Group's lease agreement with Philippine Veterans Investment Development Corporation (PHIVIDEC) Industrial Estate to restore the property (where its coal thermal power plant is situated) to its original condition and to bear the cost of dismantling and restoration at the end of the lease term. ARO is accreted over the lease term and the related interest expense recognized amounted to ₱59.4 million, ₱55.3 million and ₱48.7 million in 2025, 2024 and 2023, respectively (see Note 29).
- g. Provision for unused credit lines pertains to ECL related to loan commitments without outstanding drawn amounts.
- h. Other payables include withholding taxes, output VAT payables, interest on restructured loans and deferred rental income.

24. Long-term and Short-term Debt

This account consists of the following respective borrowings of the Group and their contractual settlement dates:

	2025	2024
	(In Thousands)	
Parent Company		
Bank loans		
Philippine peso - with fixed interest rates ranging from 2.5% to 6.6% per annum with varying maturity dates up to 2030	₱10,677,635	₱18,207,363
Philippine peso bonds	9,968,309	9,918,241
	20,645,944	28,125,604

(Forward)



	2025	2024
	(In Thousands)	
Subsidiaries		
Loans from banks and other institutions:		
Philippine peso - with interest rates ranging from 4.3% to 7.6% with varying maturity dates up to 2034	₱72,115,574	₱61,575,220
Bonds:		
Philippine peso bonds	32,917,329	35,856,588
Foreign currency bonds	—	11,773,828
	105,032,903	109,205,636
	₱125,678,847	₱137,331,240

Below are the current and noncurrent portions of the long-term and short-term debt:

	2025	2024
	(In Thousands)	
Current	₱41,451,409	₱47,952,041
Noncurrent	84,227,438	89,379,199
	₱125,678,847	₱137,331,240

The other details on foregoing long-term and short-term debt of the Group follow:

FDC

Fixed rate bonds

On February 7, 2024, FDC issued fixed rate bonds with aggregate principal amount of ₱10.0 billion 2.5-year bonds with interest of 6.32% per annum due in 2026. Interest is payable quarterly in arrears starting on May 7, 2024. As of December 31, 2025 and 2024, ₱10.0 billion of these bonds payable remain outstanding.

On January 14, 2014, FDC issued fixed rate bonds with aggregate principal amount of ₱8.8 billion 10-year bonds with interest of 6.15% per annum which was due and paid in 2024.

Term loans

The fixed-rate loans availed by FDC bear interest ranging from 2.50% to 6.6% per annum. The term loans availed by FDC that are subject to floating interest set every 90-days payable in arrears. As of December 31, 2025 and 2024, ₱10.7 billion and ₱18.2 billion of these term loans remain outstanding, respectively.

FLI

Fixed-rate bonds

On December 4, 2014, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱7.0 billion comprising of ₱5.3 billion, 7-year fixed rate bonds due in 2021 and ₱1.7 billion, 10-year fixed rate bonds due in 2024. The 7-year bonds carry a fixed rate of 5.40% per annum, while the 10-year bonds have a fixed interest rate of 5.64% per annum. FLI paid the remaining outstanding bonds payable amounting to ₱1.70 billion on December 4, 2024.

On August 20, 2015, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.0 billion comprising of ₱7.0 billion, 7-year fixed rate bonds due in 2022 and ₱1.0 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum, while the 10-year bonds have a fixed rate of 5.71% per annum. FLI paid the ₱7.0 billion



bonds on August 20, 2022. FLI paid the remaining balance amounting to ₱1.0 billion on August 20, 2025. As of December 31, 2024, ₱1.0 billion of the related bonds payable remain outstanding (nil as of December 31, 2025).

On November 18, 2020, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.10 billion comprising of ₱6.3 billion, 3-year fixed rate bonds due in 2023 and ₱1.8 billion, 5.5-year fixed rate bonds due in 2026. The 3-year bonds carry a fixed rate of 3.34% per annum, while the 5.5-year bonds have a fixed rate of 4.18% per annum. On November 18, 2023, FLI paid ₱6.3 billion of the outstanding bonds payable. As of December 31, 2025 and 2024, ₱1.8 billion of the related bonds payable remain outstanding.

On December 21, 2021, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10.0 billion comprising of ₱5.0 billion, 4-year fixed rate bonds due in 2025 and ₱5.0 billion, 6-year fixed rate bonds due in 2027. The 4-year bonds carry a fixed rate of 4.5300% per annum, while the 6-year bonds have a fixed rate of 5.2579% per annum. Outstanding balance of the related bonds payable as of December 31, 2025 and 2024, amounted to ₱5.0 billion and ₱10.0 billion, respectively.

On June 23, 2022, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.90 billion comprising of ₱8.9 billion, 3-year fixed rate bonds due in 2025 and ₱3.0 billion, 5-year fixed rate bonds due in 2027. The 3-year bonds carry a fixed rate of 5.3455% per annum, while the 5-year bonds have a fixed rate of 6.4146% per annum. Outstanding balance of the related bonds payable as of December 31, 2025 and 2024, amounted to ₱3.0 billion and ₱11.9 billion, respectively.

On December 1, 2023, FLI issued to the public unsecured 3.5-year fixed rate bonds with an interest rate of 6.9829% per annum and aggregate principal amount of ₱11.4 billion due in 2027. As of December 31, 2025 and 2024, ₱11.4 billion of these bonds payable remain outstanding.

On March 12, 2025, FLI issued to the public unsecured fixed rate bonds with an aggregated principal amount of ₱12.0 billion, comprising of ₱6.8 billion, 5-year fixed rate bonds with interest of 6.2916% per annum due in 2030, ₱2.7 billion, 7-year fixed rate bonds with interest of 6.6550% per annum due in 2032, and ₱2.6 billion, 10-year fixed rate bonds with interest of 6.8312% due in 2035. As of December 31, 2025, outstanding balance of the related bonds payable amounted to ₱12.0 billion.

Unamortized debt issuance cost on bonds payable amounted to ₱284.8 million and ₱238.8 million as of December 31, 2025 and 2024, respectively. Accretion included as part of "Interest expense" amounted to ₱137.0 million in 2025, ₱88.1 million in 2024 and ₱21.3 million in 2023 (see Note 29).

Developmental loans

Developmental loans from local banks will mature on various dates up to 2031. These Peso-denominated loans bear floating interest rates, which are repriced quarterly, semi-annually or annually based on either 3-month, 6-month or 1-year Bloomberg Valuation (BVAL), or Reverse Repurchase Rate (RRP), plus margin, per annum.

Additional loans availed in 2025, 2024 and 2023 amounted to ₱16.7 billion, ₱38.1 billion and ₱24.7 billion, respectively. These include availment of short-term loans payable amounting to ₱8.7 billion, ₱11.5 billion and ₱16.5 billion in 2025, 2024 and 2023, respectively. Principal payments made in 2025, 2024 and 2023 amounted to ₱8.9 billion, ₱32.9 billion and ₱20.5 billion, respectively.



FAI

The fixed-rate loans availed by FAI bear interest ranging from 3.8% to 5.0% per annum. The term loans availed by FAI that are subject to floating interest set every 90-days payable in arrears has a one-time option to change interest to fixed rate anytime during the life of the loan.

FMPC

FMPC entered into loan facility agreements with local financial institutions to partially finance the construction and operation of the 405 MW CFB coal thermal power plant located inside the PHIVIDEC Industrial Estate in Villanueva, Misamis Oriental.

These loan facility agreements provide for a scheduled loan availments within a certain period. These loans are payable in 42 quarterly variable payments. The first installment will be due 42 months from initial availment date or six (6) months from the project completion date, whichever comes first. These loans bear interest of 7-year BVAL (subject to repricing on the 7th year from initial availment date), plus applicable credit spread.

These loans are secured with real properties and real rights, inclusive of FMPC's buildings and other improvements, with carrying values amounting to ₱21,346.1 million and ₱21,761.3 million as of December 31, 2025 and 2024, respectively, and its rights provided under certain agreements (e.g., EPPAs, insurance and lease contracts), chattels, movables and personal properties.

These loans bear interest from 5.0% to 7.6% per annum, subject to repricing after the 7th from initial loan availment until maturity date. Interest is payable quarterly in arrears to start at the end of the first quarter from the date of the release of the loan.

FDCI

USD200.0 Million Fixed-rate Bonds

On September 17, 2025, FDCI redeemed the US\$200.0 million 5-year US dollar bonds, with a fixed interest rate of 4.125% per annum issued on September 17, 2020.

The Group's long-term and short-term debt are unsecured and no assets are held as collateral for these debts, except for the loans of FMPC. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio of 2.0x to 4.0x; debt service coverage ratio of 1.0x to 1.1x; interest coverage ratio of 2.0x to 3.0x; and minimum current ratio of 2.0x based on the definitions of such ratios in the respective loan agreements.

As of December 31, 2025 and 2024, the Group has not been cited as in default on its outstanding loan obligation.



Total interest incurred on these long-term and short-term debt, including amortization of transaction costs, follow:

	2025	2024	2023
	(In Thousands)		
Interest expense			
Real estate operations (Note 29)	₱3,596,648	₱3,153,379	₱1,628,904
Hospitality operations (Note 29)	243,503	318,632	386,428
Power and utility operations (Note 29)	414,921	571,546	641,994
Sugar operations (Note 29)	27,010	30,524	14,784
Other operations (Notes 28 and 29)	1,734,637	1,975,739	1,677,705
	6,016,719	6,049,820	4,349,815
Total capitalized borrowing costs (Notes 14, 16, 17, 20 and 32)	3,196,609	2,269,974	2,355,529
	₱9,213,328	₱8,319,794	₱6,705,344

25. Equity

Capital Stock

On December 22, 1982, the Philippine SEC approved the Parent Company's registration of 5.3 million shares, divided into 5.2 million Class A shares, and 100,000 class B shares with par value of ₱10.0 per share.

On April 13, 1992, the Philippine SEC approved the Parent Company's registration of 144,575,000 common shares with par value of ₱10.0 per share.

On March 10, 1993, the Philippine SEC approved the reduction of par value from ₱10.0 to ₱5.0 per share of the Parent Company's common shares which at that time consisted of ₱1.5 billion authorized common stocks divided into 90,000,000 shares of Class "A" common shares and 60,000,000 shares of Class "B" common shares.

On December 20, 1993, the stockholders approved the reduction of the par value per share from ₱5.0 to ₱1.0 and to unclassify the Parent Company's capital stock.

On October 15, 2010, the stockholders and BOD of the Parent Company approved the increase in its authorized capital stock from ₱10.0 billion, consisting of 10.0 billion common shares with par value of ₱1.0 per share to ₱17.0 billion, consisting of 15.0 billion common shares with par value of ₱1.0 per share and 2.0 billion non-voting and redeemable preferred shares with par value of ₱1.0 per share. Article Seven of the Amended Articles of Incorporation of the Parent Company was amended to effect the increase in the authorized capital stock of the Parent Company.

On August 19, 2011, Philippine SEC approved the increase in the authorized capital stock of the Parent Company.

The preferred shares have the following features:

- not entitled to any voting right or privilege, except in those cases expressly provided by law;
- redeemable subject to the terms and conditions to be fixed by the BOD;
- entitled to dividends at the rate to be determined by the BOD prior to the issuance of shares, to be payable out of the surplus profits of the Corporation so long as the preferred shares are outstanding; and



d) may be subject to such other additional terms and conditions to be fixed by the BOD.

On August 8, 2025, the Parent Company issued and listed 8,000,000 cumulative, non-voting, non-convertible, redeemable and re-issuable perpetual preferred shares with ₱1 par value, at an issue price of ₱1,000 per share.

As of December 31, 2025, the preferred stock and additional paid-in capital recognized from the issuance amounted to ₱8.0 million and ₱7,921.9 million, respectively. Shares issued for Series A (FDCPA) and Series B (FDCPB) are 2,310,015 shares and 5,689,985 shares, respectively. The related stock issuance costs amounted to ₱70.1 million.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31:

	Shares		Amount	
	2025	2024	2025	2024
	(In Thousands)			
Authorized:				
Common stock – ₱1 par value	15,000,000	15,000,000		
Preferred stock – ₱1 par value	2,000,000	2,000,000		
Issued and outstanding:				
Common stock	8,648,463	8,648,463	₱9,319,872	₱9,319,872
Preferred stock	8,000	–	8,000	–
			₱9,327,872	₱9,319,872

Note: Exclusive of 671,409,400 treasury shares (see Note 31) as of December 31, 2025 and 2024.

Treasury Shares

There was no movement in treasury shares for the years ended December 31, 2025 and 2024.

Dividend Declarations

On October 9, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱16.563 and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of October 23, 2025 and paid on November 8, 2025.

On April 25, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.14027 per share for every common share of record as of May 19, 2025 and paid on June 10, 2025.

On April 26, 2024, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024 and paid on June 11, 2024.

On April 28, 2023, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.06534 per share for every common share of record as of May 22, 2023 and paid on June 14, 2023.

Retained Earnings

Retained earnings include undistributed earnings representing accumulated equity in net earnings of subsidiaries and joint ventures and associate amounting to ₱138,330.2 million and ₱112,247.8 million as of December 31, 2025 and 2024, respectively, which are not available for dividend declaration until received in the form of dividends from such subsidiaries, joint ventures and associate.



Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury amounting to ₱3,614.5 million as of December 31, 2025 and 2024.

Capital Management

The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. No changes were made in capital management objectives, policies or processes for the years ended December 31, 2025, 2024 and 2023.

Capital management of each segment within the Group are further discussed in Note 37.

The Group monitors capital using debt-to-equity ratio, which is the long-term and short-term debt divided by total equity.

	2025	2024
	(In Thousands)	
Long-term and short-term debt (Note 24)	₱125,678,847	₱137,331,240
Total equity	211,674,781	186,380,506
Debt-to-equity ratio	0.59:1:00	0.74:1:00

The Group is subject to externally imposed capital requirements due to its loan covenants (see Note 24).

26. Related Party Transactions

The Group has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.

All material Related Party Transactions ("RPT") with a transaction value that reaches 10% of the Group's total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions ("Policy"). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.



Unless otherwise stated, outstanding balances at year-end are unsecured, interest-free and require settlement in cash. As of December 31, 2025 and 2024, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant transactions with related parties are as follows:

- a. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱221.0 million, ₱135.4 million and ₱93.5 million in 2025, 2024 and 2023, respectively. Post-employment benefits of key management personnel amounted to ₱33.6 million, ₱30.1 million and ₱20.7 million in 2025, 2024 and 2023, respectively.
- b. Other transactions with related parties include noninterest-bearing cash advances and various charges to and from non-consolidated affiliates for management fees, rent, share of expenses and commission charges. Transactions with related parties are normally settled in cash.

The amounts and the balances arising from the foregoing significant related party transactions are as follows:

2025				
	Amount/ Volume	Outstanding Balance Due from (Due to)	Terms	Conditions
(In Thousands)				
Due from related parties				
Real estate operations (Note 7)				
Ultimate Parent Company ^(a)	₱699	₱1,019	Noninterest-bearing, collectible on demand	Unsecured, no impairment
Affiliates: (Notes 7, 8 and 10)				
Share in expenses	112,138	211,607	Noninterest-bearing and due on demand	Unsecured, no impairment
		₱212,626		
Due to related parties (Note 23)				
Affiliates				
Share in expenses ^(a)	₱277,555	(₱45,351)	Noninterest-bearing, payable on demand	Unsecured

^(a) Share in Group expenses

^(b) Availment of loan payable, with interest at prevailing market rate



2024				
	Amount/ Volume	Outstanding Balance Due from (Due to)	Terms	Conditions
(In Thousands)				
Due from related parties				
Real estate operations (Note 7)				
Ultimate Parent Company ^(a)	P–	P320	Noninterest-bearing, collectible on demand	Unsecured, no impairment
Affiliates: (Notes 7, 8 and 10)				
Share in expenses	29,686	99,469	Noninterest-bearing and due on demand	Unsecured, no impairment
		P99,789		
Due to related parties (Note 23)				
Affiliates				
Share in expenses ^(a)	P–	(P212,566)	Noninterest-bearing,	
Management fee ^(b)	46,961	(110,340)	payable on demand	Unsecured
		(P322,906)		

(a) Share in Group expenses

(b) Management fee charged to hospitality operations by a joint venture.

Transactions with Retirement Plans

Certain post-employment benefit plans are considered as related parties. The Group's retirement plan is in the form of a trust administered by the EWBC's Trust Division under the supervision of the Retirement Committee.

The values of the assets of the fund held by EWBC are as follows (see Note 30):

	2025	2024
(In Thousands)		
Cash and cash equivalents	P317,198	P705,785
Equity instruments	935,132	86,367
Debt instruments	785,487	892,711
Others	100,629	1,926
	P2,138,446	P1,686,789

The following are the amounts recognized by the retirement plan arising from its transactions with EWBC for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
(In Thousands)			
Trust fees	P6,130	P4,673	P3,524
Interest income on savings deposit	15,134	17,371	2,746
Interest income on investments in LTNCD	21,426	4,611	6,162
Gain (loss) on investments in equity shares	89,357	69,675	87,315



27. Other Income

Other income from real estate operations consists of:

	2025	2024	2023
		(In Thousands)	
Management fees	₱645,328	₱678,323	₱304,350
Interest income on cash and cash equivalents and contract receivables (Notes 6 and 7)	323,860	388,317	344,229
Processing fees	273,232	229,167	277,026
Service income	166,650	155,304	305,767
Water supply income	139,597	84,346	95,344
Forfeited reservations and payments	91,630	166,947	92,854
Sewer treatment services	76,065	64,120	43,472
Parking fees	15,250	15,248	30,533
Others	32,448	244,590	154,001
	₱1,764,060	₱2,026,362	₱1,647,576

Others include membership and maintenance dues, parking fees, late payment charges, gain on sale or exchange of properties and slot rental fees.

Other income from hospitality operations consists of:

	2025	2024	2023
		(In Thousands)	
Interest income (Note 6)	₱774	₱5,035	₱1,606
Others	299,393	547,863	562,307
	₱300,167	₱552,898	₱563,913

Others include insurance fees, bagging fees, and other miscellaneous income.

Other income (losses) from banking and financial services consists of:

	2025	2024	2023
		(In Thousands)	
Service charges, penalties, fees and commissions	₱7,089,405	₱5,850,127	₱4,769,438
Recovery on written-off assets	1,408,942	1,031,633	504,817
Gain on asset foreclosure and <i>dacion</i> transactions	953,658	1,191,284	614,532
Foreign currency exchange gains - net	740,065	746,220	655,790
Trading and securities gain (loss) - net (Note 12)	545,694	401,138	337,827
Trust income (Note 19)	146,892	137,166	126,733
Gain (loss) on sale of assets (Notes 16, 17 and 20)	(717,434)	(688,094)	183,080
Others	180,744	262,625	237,019
	₱10,347,966	₱8,932,099	₱7,429,236



Other income from power and utility operations consists of:

	2025	2024	2023
		(In Thousands)	
Reversal of liabilities (Note 33)	₱270,073	₱—	₱—
Interest income (Notes 6 and 10)	88,404	108,906	213,695
Others	11,621	21,329	144,541
	₱370,098	₱130,235	₱358,236

Other income from sugar operations consists of:

	2025	2024	2023
		(In Thousands)	
Interest income (Note 6)	₱10,772	₱1,090	₱3,813
Diesel mark-up	8,072	—	4,839
Storage income	3,050	2,298	362
Fertilizers assistance income	2,773	2,691	8,693
Handling income - net	1,544	586	682
Others	25,630	36,420	31,667
	₱51,841	₱43,085	₱50,056

Fertilizer assistance income and diesel mark-up pertain to income from sale of fertilizer and diesel to planters of sugarcane.

Storage and handling income pertains to income from sugar storage and handling services provided to planters of sugarcane.

Others include insurance fees, bagging fees and other miscellaneous income from bidding of quedans.

28. Costs

Costs of sale of lots, condominium and residential units consists of:

	2025	2024	2023
		(In Thousands)	
Lots, condominium and residential units (Note 14)	₱8,742,362	₱7,754,859	₱8,534,325

Costs of rental and related services consists of:

	2025	2024	2023
		(In Thousands)	
Mall operations	₱2,207,128	₱2,171,762	₱1,524,681
Depreciation (Note 16)	1,333,690	1,283,852	1,201,601
Amortization (Notes 17 and 20)	238,130	140,688	70,605
Others	15,266	17,652	27,721
	₱3,794,214	₱3,613,954	₱2,824,608

Others pertain to outside services, repairs and maintenance and association dues.



Costs of hospitality operations consists of:

	2025	2024	2023
	(In Thousands)		
Salaries, wages and employee benefits	₱792,926	₱690,476	₱343,910
Food and beverage	501,455	467,050	414,304
Depreciation and amortization (Note 17)	338,623	331,132	258,770
Utilities	309,050	300,831	284,211
Cleaning supplies	88,682	85,472	54,865
Guest transportation	48,128	15,252	1,382
Guest laundry and linen	32,829	37,133	41,506
Contract services	24,217	29,900	18,615
Complimentary food and services	20,377	19,071	25,058
Guest amenities	23,092	23,265	42,804
Kitchen fuels	17,170	17,759	4,718
Equipment rental	6,865	4,573	7,022
Others	170,062	504,428	330,678
	₱2,373,476	₱2,526,342	₱1,827,843

Others include dive shop operating expenses, spa expenses, office supplies, banquet expenses, landscaping, cable services and other various expenses for the operations of the other operating departments of the hotel.

Costs of banking and financial services consists of:

	2025	2024	2023
	(In Thousands)		
Interest on:			
Deposit liabilities (Note 21)	₱7,606,226	₱6,614,213	₱4,880,390
Subordinated debt, bills payable and other borrowings (Notes 22 and 24)	1,728,132	1,804,535	1,105,974
	₱9,334,358	₱8,418,748	₱5,986,364

Costs of power and utility operations consists of:

	2025	2024	2023
	(In Thousands)		
Coal and fuel cost	₱6,042,740	₱7,439,747	₱8,226,820
Depreciation and amortization (Note 17)	1,199,840	1,172,531	1,198,509
Purchase of electricity	1,191,826	7,083,590	2,090,570
Distribution and wheeling fees	426,046	321,832	30,042
Maintenance cost	374,438	267,169	231,672
Material cost	196,551	213,180	135,693
Salaries, wages and employee benefits	179,061	147,144	121,040
Outside services	32,074	35,922	18,219
Others	11,006	10,042	8,034
	₱9,653,582	₱16,691,157	₱12,060,599



Costs of sugar operations consists of:

	2025	2024	2023
		(In Thousands)	
Costs of sugarcane purchases	₱3,414,134	₱2,773,401	₱2,110,531
Fair value of raw sugar	2,366,628	1,552,688	1,287,310
Repairs and maintenance	305,069	204,224	201,810
Salaries, wages and employee benefits	164,674	110,289	130,870
Materials and supplies	130,243	86,650	97,826
Depreciation and amortization (Note 17)	117,788	116,753	124,010
Outside services	72,410	46,818	82,564
Communications, light and water	23,209	20,754	28,853
Rent (Note 32)	—	1,225	11,391
Cane hauling	9,639	36,896	19,550
Others	23,072	90,448	30,086
Cost of goods manufactured	6,626,866	5,040,146	4,124,801
Increase in:			
Sugar and molasses inventories (Note 15)	(368,096)	(289,912)	(45,801)
Biological assets (Note 20)	(907)	(8,440)	(17,602)
	₱6,257,863	₱4,741,794	₱4,061,398

Costs of other operations pertain to FDCI's interest expense on fixed-rate dollar bonds amounting to ₱346.6 million, ₱515.7 million and ₱470.3 million in 2025, 2024 and 2023, respectively (see Note 24).

29. Expenses

Expenses of real estate operations consists of:

	2025	2024	2023
		(In Thousands)	
Interest expense from:			
Long-term and short-term debt (Note 24)	₱3,596,648	₱3,153,379	₱1,628,904
Lease liabilities (Note 32)	527,729	501,508	489,388
	4,124,377	3,654,887	2,118,292
General and administrative			
Salaries, wages and employee benefits	1,523,173	1,609,953	1,318,095
Taxes and licenses	774,351	577,686	536,788
Outside services	584,383	493,856	267,236
Depreciation and amortization (Notes 16 and 17)	471,948	480,876	459,603
Repairs and maintenance	308,772	285,129	377,482
Travel and transportation	156,722	162,010	151,783
Entertainment, amusement and recreation	114,706	103,732	101,557
Utilities and communication	95,039	95,260	106,084
Insurance	52,969	45,793	38,675

(Forward)



	2025	2024	2023
	(In Thousands)		
Rent (Note 32)	₱27,138	₱24,353	₱26,078
Provision for ECL (Note 7)	—	19,819	46,836
Others	190,921	5,155	180,412
	4,300,122	3,903,622	3,610,629
Marketing expenses			
Commission	740,932	910,333	800,207
Selling, advertising and promotions	389,124	418,762	259,408
Service fees	214,735	239,895	142,740
Sales office direct costs	58,856	61,455	50,669
Others	158,059	121,283	235,603
	1,561,706	1,751,728	1,488,627
Share in net earnings of joint venture			
(Note 18)	(1,795)	(357)	—
	₱9,984,410	₱9,309,880	₱7,217,548

Other general and administrative expenses include postage, freight, office supplies, association dues and other charges.

Expenses of hospitality operations consist of:

	2025	2024	2023
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱243,503	₱318,632	₱386,428
Lease liabilities (Note 32)	136,894	112,222	24,310
	380,397	430,854	410,738
General and administrative			
Salaries, wages and employee benefits	330,171	283,171	208,188
Management fees	116,515	177,596	153,145
Association dues	59,308	45,485	38,193
Outside services	51,477	86,138	56,326
Repairs and maintenance	50,038	67,900	63,034
Corporate office reimbursable	47,232	46,162	11,227
Credit card commission	45,603	34,436	34,985
Taxes and licenses	35,410	28,808	22,326
Insurance	28,486	33,229	30,250
Travel and transportation	18,296	19,467	20,943
Utilities	15,479	17,297	28,243
Rent (Note 32)	15,208	4,700	19,922
Representation and entertainment	5,752	8,734	8,844
Depreciation and amortization (Note 17)	4,799	53,429	81,974
Others	48,214	70,905	170,395
	871,988	977,457	947,995
Marketing expenses	80,083	41,269	52,814
Share in net earnings of joint venture			
(Note 18)	—	—	(18,985)
	₱1,332,468	₱1,449,580	₱1,392,562



Expenses of banking and financial services consist of:

	2025	2024	2023
	(In Thousands)		
Interest expense from lease liabilities (Note 32)	₱400,808	₱380,600	₱137,695
General and administrative			
Salaries, wages and employee benefits	8,809,115	8,823,741	7,458,354
Taxes and licenses	3,481,428	3,040,218	2,492,079
Depreciation and amortization (Notes 16, 17 and 20)	2,176,535	2,085,276	1,611,811
Advertising	1,737,756	970,460	919,956
Service charges, fees and commission	1,438,131	1,330,961	941,749
Outside services	1,213,931	1,149,951	1,146,492
Technological fees	1,121,840	1,155,325	1,109,621
Brokerage fees	1,086,764	1,094,594	932,117
Insurance	960,057	863,353	777,671
Postage, telephone and telegraph	645,345	568,288	474,085
Amortization of capitalized software, customer relationships and core deposits (Note 20)	407,878	258,290	199,647
Repairs and maintenance	311,356	360,611	328,441
Rent (Note 32)	264,290	418,459	368,424
Utilities	248,896	246,191	249,126
Travel and transportation	229,958	218,170	199,544
Stationery and supplies	150,894	161,581	218,344
Entertainment, amusement and recreation	48,622	51,108	46,377
Others	599,386	211,331	455,784
	24,932,182	23,007,908	19,929,622
Provision for probable losses (Notes 9 and 16)	14,224,244	9,579,702	7,688,252
Share in net losses (earnings) of a joint venture (Note 18)	151,670	(112,745)	152,335
	₱39,708,904	₱32,855,465	₱27,907,904

Others include payments for subscriptions, membership fees, trainings, donations and contributions, delivery and freight expenses, fines, penalties, other charges and clearing fees.



Expenses of power and utility operations consist of:

	2025	2024	2023
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱414,921	₱571,546	₱641,994
Lease liabilities (Note 32)	45,618	64,493	106,272
Asset retirement obligation (Note 23)	59,389	55,354	48,736
	519,928	691,393	797,002
General and administrative			
Taxes and licenses	344,770	338,279	331,885
Insurance	257,167	372,718	327,819
Salaries, wages and employee benefits	282,532	250,296	266,700
Provision (reversal of provision) for probable losses (Notes 10, 23 and 33)	264,654	321,181	(9,219)
Depreciation and amortization (Notes 17 and 20)	45,794	70,874	83,219
Outside services	125,851	94,907	89,222
Professional fee	66,971	53,899	20,304
Repairs and maintenance	35,718	35,741	25,000
Travel and transportation	38,827	34,964	31,734
Representation and entertainment	27,323	27,972	22,170
Utilities	13,035	12,130	21,234
Rent (Note 32)	306	13,577	12,100
Others	67,253	36,306	133,087
	1,570,201	1,662,844	1,355,255
Share in net losses (earnings) of an associate			
(Note 18)	(2,082)	1,481	(1,186)
	₱2,088,047	₱2,355,718	₱2,151,071

Others include office supplies, freight and handling costs, contribution and donation, dues and subscription and financial assistance to host communities.

Expenses of sugar operations consist of:

	2025	2024	2023
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱27,010	₱30,524	₱14,784
Lease liabilities (Note 32)	—	—	1,152
	27,010	30,524	15,936
General and administrative			
Taxes and licenses	69,753	21,480	27,883
Salaries, wages and employee benefits	52,240	52,187	41,539
Outside services	26,485	25,479	21,021
Provision for probable losses (Note 11)	18,371	18,371	18,371
Travel and transportation	10,906	9,451	8,471

(Forward)



	2025	2024	2023
	(In Thousands)		
Repairs and maintenance	₱8,345	₱5,732	₱4,644
Entertainment, amusement and recreation	6,375	4,933	6,267
Depreciation and amortization (Note 17)	6,135	5,516	4,761
Communication	4,995	6,385	5,016
Supplies	4,682	6,846	8,331
Others	12,873	15,079	21,756
	221,160	171,459	168,060
	₱248,170	₱201,983	₱183,996

Expenses of other operations consists of:

	2025	2024	2023
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱1,388,060	₱1,459,995	₱1,207,433
Lease liabilities (Note 32)	—	3,418	7,827
	1,388,060	1,463,413	1,215,260
General and administrative			
Salaries, wages, and employee benefits	476,599	412,225	517,275
Outside services	103,727	129,304	84,561
Depreciation and amortization (Note 16)	73,889	63,205	18,769
Repairs and maintenance	64,902	53,277	29,040
Taxes and licenses	42,513	24,843	71,781
Rent (Note 32)	40,122	43,033	8,553
Travel and transportation	39,721	49,414	41,232
Entertainment, amusement and recreation	36,330	30,595	29,445
Impairment losses (Note 18)	—	—	106,884
Others	259,924	112,983	529,387
	1,137,727	918,879	1,436,927
Share in net losses (earnings) of an associate (Note 18)	(195,179)	(3,324)	21,827
	₱2,330,608	₱2,378,968	₱2,674,014

Others include dues and subscriptions, technological fees and foreign exchange loss.

30. Retirement Plan

The Group has a funded, noncontributory defined benefit retirement plan (the “Plan”) covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The retirement plan provides retirement benefits equivalent to 70% to 125% of the final monthly salary for every year of service. The funds are administered by the Group’s Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan. RA 7641 requires a provision for retirement pay to qualified private sector employees provided that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The



Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.

Changes to the net retirement liabilities recognized in the consolidated statements of financial position are as follows:

	2025		
	Present Value Of Defined Benefit Obligations	Fair Value Of Plan Assets (Note 26) (In Thousands)	Net Defined Benefit Liabilities
Balances as at January 1, 2025	₱3,347,233	₱1,686,789	₱1,660,444
Net benefit costs in profit or loss			
Current service cost	357,094		357,094
Net interest	292,759	95,845	196,914
	649,853	95,845	554,008
Remeasurements in other comprehensive income			
Actuarial changes arising from experience adjustments	–	95,971	(95,971)
Actuarial changes arising from changes in financial assumptions	122,232	–	122,232
Return on plan assets (excluding amount included in net interest)	136,008	–	136,008
	258,240	95,971	162,269
Benefits paid	(207,722)	(207,722)	–
Contributions	–	467,563	(467,563)
Balances as of December 31, 2025	₱4,047,604	₱2,138,446	₱1,909,158

	2024		
	Present Value Of Defined Benefit Obligations	Fair Value Of Plan Assets (Note 26) (In Thousands)	Net Defined Benefit Liabilities
Balances as at January 1, 2024	₱3,087,629	₱1,512,601	₱1,575,028
Net benefit costs in profit or loss			
Current service cost	313,495	–	313,495
Net interest	158,932	81,215	77,717
	472,427	81,215	391,212
Remeasurements in other comprehensive income			
Actuarial changes arising from experience adjustments	110,863	–	110,863
Actuarial changes arising from changes in financial assumptions	(12,920)	–	(12,920)
Return on plan assets (excluding amount included in net interest)	–	36,171	(36,171)
	97,943	36,171	61,772
Benefits paid	(310,766)	(310,766)	–
Contributions	–	367,568	(367,568)
Balances as of December 31, 2024	₱3,347,233	₱1,686,789	₱1,660,444



The fair value of plan assets by each class are as follows:

	2025	2024
	(In Thousands)	
Cash and cash equivalents	₱317,198	₱705,785
Debt instruments:		
Government securities	785,487	18,738
Private securities	—	873,973
Equity instruments:		
Financial services	916,666	55,920
Real estate	18,466	30,447
Others	100,629	1,926
Fair value of plan assets	₱2,138,446	₱1,686,789

The Group's plan assets are carried at fair value. The fair value of investments in equity and debt securities are based on quoted price in the active market. The fair value of other assets and liabilities, which include deposits in banks, accrued interest and other receivables, and trust fee payables, approximate their carrying amount due to the short-term nature of these accounts.

The plan assets are diversified investments and are not exposed to concentration risk.

Each year, an Asset-Liability Matching Study (ALMS) is performed with the result being analyzed in terms of risk-and-return profiles. As of December 31, 2025 and 2024, EWBC's investment strategy consists of 43% of equity instruments, 43% of debt instruments and 13% cash and 54.0% of equity instruments, 6.0% of debt instruments, and 39.0% cash, respectively.

The Group expects to contribute ₱376.0 million to the plan in 2026.

The cost of defined benefit retirement plans as well as the present value of the benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension benefits include discount rates of 4.9% to 6.4% and salary increase of 4.0% to 6.0% in 2025, and 4.0% to 5.0% in 2024 and 2023.

If the discount rate would be 100 basis points lower, the defined benefit obligation would increase by ₱314.3 million and ₱281.0 million in 2025 and 2024, respectively. If the discount rate would be 100 basis points higher, the defined benefit obligation would decrease by ₱432.7 million and ₱322.4 million in 2025 and 2024, respectively.

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

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

	2025	2024
	(In Thousands)	
Less than one (1) year	₱364,421	₱387,941
More than one (1) year up to five (5) years	1,252,807	1,250,827
More than five (5) years and beyond	14,027,727	9,188,219



31. Earnings Per Share

The following reflects the income and share data used in the basic EPS computations:

	2025	2024	2023
	(In Thousands, Except Per Share Figures)		
a. Net income - attributable to equity holders of the parent	₱15,007,865	₱12,131,320	₱8,947,468
b. Less: Dividends for preferred shareholders	139,383	—	—
c. Weighted average number of outstanding common shares	8,648,463	8,648,463	8,648,463
Basic/Diluted EPS (a-b)/c	₱1.72	₱1.40	₱1.03

There were no potential dilutive shares in 2025, 2024 and 2023.

Treasury shares of 671,409,400 shares are deducted from the total outstanding shares in computing the weighted average number of outstanding common shares (see Note 25).

32. Lease Commitments

Operating leases - Group as Lessor

The Group has future minimum rental receivables under renewable operating leases as of December 31 as follows:

	2025	2024
	(In Thousands)	
Within one (1) year	₱5,805,746	₱4,441,658
After one (1) year but not more than five (5) years	16,651,663	11,374,381
More than five (5) years	7,010,429	20,857,118
	₱29,467,838	₱36,673,157

The Group entered into lease agreements with third parties covering real estate properties. These leases generally provide for either (a) fixed monthly rent (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Most lease terms for commercial malls are renewable within one year, except for anchor tenants with terms ranging from five (5) to 15 years.

Rental income recognized based on a percentage of the gross revenue of mall tenants amounted to ₱590.6 million, ₱502.3 million and ₱457.3 million in 2025, 2024 and 2023, respectively.

Operating leases - Group as Lessee

The Group has lease contracts for various items of properties, machinery, vehicles and other equipment. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered into various lease arrangements with lease terms ranging from four (4) to 52 years.



The roll-forward analysis of ROU assets as of December 31 follows:

	2025			
	Building	Machinery	Investment Properties	Total
	(In Thousands)			
Cost				
Balances at beginning of year	₱10,167,122	₱288,534	₱3,911,424	₱14,367,080
Additions	797,326	-	-	797,326
Disposals/terminations/others	(1,441,776)	(16,205)	(439,117)	(1,897,098)
Balances at end of year	9,522,672	272,329	3,472,307	13,267,308
Accumulated Amortization				
Balances at beginning of year	6,140,999	161,721	832,916	7,135,636
Amortization (Notes 17, 18, 28 and 29)	947,714	19,353	135,423	1,102,490
Disposals/terminations/others	(1,243,659)	5,459	407,448	(830,752)
Balances at end of year	5,845,054	186,533	1,375,787	7,407,374
Net Book Values	₱3,677,618	₱85,796	₱2,096,520	₱5,859,934

	2024			
	Building	Machinery	Investment Properties	Total
	(In Thousands)			
Cost				
Balances at beginning of year	₱9,099,862	₱294,445	₱3,951,410	₱13,345,717
Additions	1,067,260	-	-	1,067,260
Disposals/terminations/others	-	(5,911)	(39,986)	(45,897)
Balances at end of year	10,167,122	288,534	3,911,424	14,367,080
Accumulated Amortization				
Balances at beginning of year	5,096,176	147,473	688,748	5,932,397
Amortization (Notes 17, 18, 28 and 29)	1,044,823	14,248	174,161	1,233,232
Disposals/terminations/others	-	-	(29,993)	(29,993)
Balances at end of year	6,140,999	161,721	832,916	7,135,636
Net Book Values	₱4,026,123	₱126,813	₱3,078,508	₱7,231,444

The roll-forward analysis of lease liabilities as of December 31 follows:

	2025	2024
	(In Thousands)	
Balance at beginning of year	₱9,042,566	₱8,454,337
Accretion of interest expense (Note 29)	1,111,049	1,062,241
Additions	819,511	1,265,231
Termination	(6,483)	-
Payments	(2,446,974)	(1,739,243)
Balance at end of year	₱8,519,669	₱9,042,566
Lease liabilities - current portion	₱1,207,090	₱818,093
Lease liabilities - net of current portion	7,312,579	8,224,473



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

	2025	2024
	(In Thousands)	
Amortization expense of ROU assets (Notes 28 and 29)	₱1,102,490	₱1,233,232
Interest expense on lease liabilities (Note 29)	1,111,049	1,062,241
Variable lease payments and expenses relating to leases of low-value assets and short-term lease	347,064	505,347

Interest expense capitalized as part of investment properties and BTO Rights amounted to ₱90.2 million, ₱98.7 million and ₱96.6 million in 2025, 2024 and 2023, respectively.

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned.

The significant leases entered into by the Group are as follows:

EWBC leases several premises occupied by its head office and branches. Some leases are subject to annual escalation of 5.0% to 10.0% and for periods ranging from five (5) to 15 years, renewable upon mutual agreement of both parties.

FMPC entered into a noncancellable lease agreement with PHIVIDE Industrial Authority (PIA) for the lease of undivided parcel of lands containing an aggregate area of 844,921 square meters to be used for its business of power generation, supply and distribution with a term of 25 years, exclusive of 3-year construction period. Construction period and lease period commenced on August 18, 2013 and August 18, 2016, respectively. The lease agreement can be renewed for another 25 years upon expiration at the option of FDC Misamis subject to mutually agreed terms and conditions.

In 2016, FMI entered into a 50-year lease agreement with CDC for the lease of 201.6 hectares of land and hotel properties (the Mimosa Leisure Estate), renewable for another 25 years. Land component of the lease is accounted for as an operating lease.

Rental agreements

The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space; (b) provisioning of water and electricity; (c) provision of air-conditioning and CUSA services; and (d) administration fee.

Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. The tenant is required to settle within seven (7) to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3.0% to 36.0% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.



33. Contingencies and Commitments

Contingencies and provisions

The Group is involved in various legal actions, claims and contingencies incident to its ordinary course of the business. Management believes that any amount the Group may have to pay in connection with any of these matters would not have a material adverse effect on the Group's financial position or operating results. The information normally required by PAS 37, *Provision, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the outcome of the proceedings.

PSHC

In connection with an ongoing case, PSHC has posted a standby letter of credit issued by a reputable bank to be the security for any judgment in the case. In August 2017, the Regional Trial Court (RTC) issued a decision in favor of the plaintiff.

On February 15, 2019, the Court of Appeals issued a decision which partially granted the appeal and modified the actual damages in favor of the plaintiff. The plaintiff has filed a Motion for Partial Reconsideration of the said decision of Court of Appeals. PSHC filed its Comment on such Motion on July 8, 2019. On November 12, 2019, the Court of Appeals issued a resolution denying the Motion for Partial Reconsideration filed by Coca-Cola. Coca-Cola thus filed a petition for review, dated January 3, 2020, with the Supreme Court, to assail the Court of Appeal's decision.

On August 23, 2023, the Supreme Court denied Coca-Cola's petition for review of the Court of Appeal's decision. Coca-Cola filed a Motion for Partial Reconsideration dated April 10, 2024, and PSHC filed its comments. Finally, Coca-Cola filed, on September 9, 2024, a Respectful Motion for Early Resolution as of September 6, 2024, praying for the immediate resolution of the case.

On July 1, 2025, PSHC and Coca-Cola agreed on a total settlement of the case for a total consideration of ₱125.5 million. On the same date, the payment was delivered by PSHC to Coca-Cola and the two parties filed a joint motion to withdraw the case in Makati Regional Trial Court. On July 2, 2025, Makati Regional Trial court issued a court order rendering the case as totally closed and terminated.

FDC Misamis

In relation to the termination of Independent Power Purchase Administrator (IPPA) contracts, on March 26, 2025, the Arbitration Tribunal decided with finality in favor of FDC Misamis and issued Final Award stating that the IPPA was terminated effective July 24, 2017 applying the doctrine of unforeseen events pursuant to Article 1267 of the New Civil Code. Accordingly, the Arbitration Tribunal ruled that Power Sector Asset and Liabilities Management (PSALM) is only entitled to ₱200.0 million of the performance bond and the excess should be returned to FDC Misamis. Also, all other claims, including those for damages and unaccounted energy, against FDC Misamis were dismissed.

PSALM filed a Petition to Vacate before the Quezon City Regional Trial Court (RTC). On April 25, 2025, FDC Misamis filed its Comment with Ad Cautelam Petition to Confirm in Opposition to Petition to Vacate Arbitral Award on July 10, 2025. The Petition to Vacate Arbitral Award remains pending as of March 18, 2026.



EWBC

EWBC has several loan-related suits and claims that remain unsettled. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of the management, the suits and claims, if decided adversely, will not involve sums having a material effect on the consolidated financial statements.

The following is a summary of contingencies and commitments of EWBC at their Peso-equivalent contractual amounts arising from off-balance sheet items of EWBC:

	2025	2024
	(In Thousands)	
Unused credit line - credit cards	₱281,567,755	₱233,044,768
Trust department accounts (Note 30)	74,364,617	69,980,975
Forward exchange sold	14,850,978	12,468,110
Forward exchange bought	12,120,710	—
Spot exchange bought	4,124,194	5,009,551
Unused commercial letters of credit	3,979,919	—
Interest rate swap	3,200,000	200,000
Spot exchange sold	2,078,804	4,446,192
Inward bills for collection	1,133,806	689,585
Outstanding guarantees	223,606	181,527
Treasurer/cashier/manager's checks	24,719	77,605
Late deposits/payments received	1,647	3,173
Outward bills for collection	1,367	5,604
Items held for safekeeping	709	773
Others	484	187
Broker customer securities	—	44,896,595

Commitments

FLI

BTO Agreement with Cebu Province

In connection with the BTO Agreement with the Cebu Province, the Group is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City and transfer the ownership of the BPO Complex to the Cebu Province upon completion in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (see Note 20).

Capital Commitments and Obligations

The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱6.33 billion and ₱6.30 billion as of December 31, 2025 and 2024. This will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

Assignment of Development Rights under a BTO Agreement

On June 26, 2015, FLI and a third party entered into an agreement whereby the latter agreed to assign its project development rights and benefits under its BTO Agreement with Cebu Province to FLI. In consideration of this assignment, FLI paid upfront fee amounting to ₱50.0 million and ₱150.0 million in 2016 and 2015, respectively. On January 30, 2024, FLI and the Province of Cebu entered into an Amendment Agreement to the BTO Agreement, recognizing the full assignment not only of the rights and benefits but also the obligations under the BTO Agreement in favor of FLI as the successor proponent to the contemplated project development. As of December 31, 2025, project construction



has not started due to pending approval from Cebu Province on the cleared site. Thus, the upfront fee is recorded as part of “Other assets” in the consolidated statements of financial position (see Note 20).

Development Agreement with BCDA

In 2015, FLI won the contract to develop a 288-hectare area in Clark Green City in Tarlac and paid 10% of the bid premium as bid security amounted to ₱16.0 million. On January 8, 2016, the Joint Venture Agreement with BCDA was signed and pursuant to the terms of the development of the project, FLI paid the ₱160.0 million bid premium representing the right to own 55% of the equity on the joint venture company to be formed with BCDA.

On February 11, 2016, FLI incorporated FCGC Corporation, the entity that will handle the development of the New Clark City (NCC) Project, formerly Clark Green City Project. The bid premium is presented as part of investment properties in the consolidated financial statements (see Note 16). On March 16, 2016, FCGC and BCDA incorporated FBCI.

FCGC subscribed to FBCI 282,880,000 shares at par value amounting to ₱282.9 million. On the other hand, BCDA subscribed to 231,000,000 shares amounting ₱231.0 million and paid its subscription thru the assignment of a 50-year Development and Usufructuary Rights (DUR) over the parcel of land where the NCC project will be developed. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA.

PSHC

Milling Contracts

DSCC and CSCC (Millers) have milling contracts with various planters which provide for a certain sharing ratio between the Millers and the planters for the resulting sugar and molasses produced in their respective sugar mills. The milling contracts are effective for a period of 15 agricultural crop years, subject to an extension of another 15 crop years at the option of the Millers.

Development Agreements

HYSFC entered into several Development Agreements (the Agreements) with various landowners for the development and cultivation of certain parcels of agricultural land for sugarcane production. The Agreements are effective for periods of 15 agricultural crop years and renewable for such additional periods under conditions mutually agreed upon by the parties. Under the Agreements, HYSFC shall have the rights and authority to enter into possession of the properties, and to do all acts, deeds, matter and things necessary for its proper and profitable development, cultivation and improvement as viable sugarcane plantation.

Other provisions of the Agreements follow:

- HYSFC shall furnish necessary management expertise, equipment and technology for the agricultural development and cultivation;
- Parties shall be entitled to receive from the income derived from the property during the effectivity of the Agreements;
- HYSFC shall advance to the other party in the Agreements a portion of the latter’s share in the profits from the Agreements;
- After satisfying the advance in full, the succeeding annual share in the profits of the other party in the Agreements shall be paid on the first day of the crop year following complete deduction of advances made; and
- The remaining amount in the income from the property shall pertain to the HYSFC as its share in the income on the agricultural development undertaken.



Impacted by the development agreements are the advances to planters and biological assets recorded in the consolidated statements of financial position. The carrying values of the Group's advances to sugar planters included in "Loans and receivables" (see Note 11) and biological assets included in "Other assets" (see Note 20) in the consolidated statements of financial position, amounted to ₱137.9 million and ₱47.9 million, respectively, as of December 31, 2025 and ₱136.1 million and ₱47.0 million, respectively, as of December 31, 2024.

34. Income Tax

The components of the Group's net deferred tax assets follow:

	2025	2024
	(In Thousands)	
Deferred tax assets on:		
Allowance for impairment and credit losses	₱3,691,444	₱2,943,507
Provision for accruals	823,440	860,631
Lease liabilities	639,512	333,926
Difference in depreciation method	543,552	607,183
Provision for retirement and unamortized past service cost	362,939	274,903
Depreciation of assets foreclosed or actioned	230,475	202,487
Asset retirement obligation	133,210	116,632
Advance rentals	99,035	49,359
Unrealized foreign exchange loss	94,266	51,195
Effects of modification loss	19,721	41,091
NOLCO	18,793	1,641
Others	610,228	700,701
	7,266,615	6,183,256
Deferred tax liabilities on:		
ROU assets	(124,417)	(5,425)
Revaluation increment on land	(55,589)	(16,547)
Unrealized foreign exchange gain	(3,240)	(117,496)
Branch license acquired from business combination	—	(156,350)
Remeasurement of EW Ageas Life shares	—	(83,958)
Unrealized trading gains	—	(5,022)
Others	(249,103)	(6,816)
	(432,349)	(391,614)
	₱6,834,266	₱5,791,642



The components of the Group's net deferred tax liabilities follow:

	2025	2024
	(In Thousands)	
Deferred tax liabilities on:		
Deemed cost revaluation increment in investment properties and property, plant and equipment	₱3,718,099	₱3,583,767
Capitalized borrowing costs	3,705,823	3,054,778
Excess of real estate revenue based on financial accounting policy over revenue based on tax rules	1,286,178	2,739,695
ROU assets	1,101,005	998,756
Others	405,744	703,720
	10,216,849	11,080,716
Deferred tax assets on:		
Lease liabilities	(1,140,512)	(1,094,074)
NOLCO	(308,497)	(523,985)
Remeasurement losses on retirement plan	(145,860)	(114,863)
Provision for retirement and unamortized past service cost	(18,727)	(25,287)
Allowance for ECL	(12,799)	(10,243)
MCIT	—	(152,573)
Others	(129,967)	(51,441)
	(1,756,362)	(1,972,466)
	₱8,460,487	₱9,108,250

The Group did not recognize deferred tax assets on the following temporary differences, NOLCO, and MCIT since management believes that their carryforward benefits may not be realized.

	2025	2024
	(In Thousands)	
NOLCO	₱7,885,864	₱6,821,795
Provisions/Accruals	2,183,455	1,724,118
Allowance for ECL	152,091	160,187
Excess MCIT over RCIT	15,419	18,743

The carryforward benefits of the Group's NOLCO, which can be claimed as deductions from the regular taxable income, and MCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	NOLCO	MCIT	Expiry Year
	(In Thousands)		
2025	₱ 2,062,511	₱5,247	2028
2024	1,845,642	7,497	2027
2023	2,136,200	2,675	2026
2021	2,016,331	—	2026
	₱8,060,684	₱15,419	



The following are the movements in NOLCO and MCIT:

	NOLCO		MCIT	
	2025	2024	2025	2024
	(In Thousands)			
Balances at beginning of year	₱9,794,885	₱6,903,270	₱11,246	₱8,800
Additions	2,062,511	2,918,940	5,247	7,497
Expired/applied	(3,796,712)	(27,325)	(1,074)	(5,051)
Balances at end of year	₱8,060,684	₱9,794,885	₱15,419	₱11,246

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The reconciliation of the provision for income tax computed at the statutory tax rate to the actual provision for income tax follows:

	2025	2024	2023
	(In Thousands)		
Income tax at statutory rate	₱6,062,179	₱5,138,826	₱3,875,323
Adjustments for:			
Nondeductible expenses	1,605,622	1,784,168	2,058,417
Nontaxable income and tax-exempt from regular banking unit	(747,420)	(670,823)	(1,005,806)
Tax-exempt income on FCDU	(369,834)	(897,195)	(744,264)
Rent income covered by Philippine Economic Zone Authority (PEZA)	(334,380)	(44,674)	(287,678)
Income subjected to final tax	(184,931)	(104,108)	(32,310)
Movements in unrecognized deferred tax assets	(17,343)	28,322	207,039
Capital gains tax	(12,115)	—	—
Tax-exempt realized gross profit on sold socialized housing units	—	—	9,344
Income tax holiday availed	—	(260,830)	(344,923)
Others	(629,331)	(116,734)	(370,659)
	₱5,372,447	₱4,856,952	₱3,364,483

Under Philippine tax laws, the regular banking unit of EWBC is subject to percentage and other taxes (presented as taxes and licenses in the cost of banking and financial services in the consolidated statements of income) as well as income taxes. Percentage and other taxes consist principally of gross receipt tax and documentary stamp taxes.



FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is generally subject to 10.00% gross income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units is taxed at 15.00%.

RA No. 9294, which became effective in May 2004, provides that the income derived by the FCDU from foreign currency transactions with non-residents, Offshore Banking Units (OBUs), local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

35. Segment Information

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, which in certain respects, are measured similarly as net income in the consolidated financial statements.

The chief operating decision-maker has been identified as the Executive Committee. This committee reviews the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group does not report its results based on geographical segments because the Group currently operates only in the Philippines. The Group's revenues are earned in the Philippines.

There were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers as of and for the years ended December 31, 2025, 2024 and 2023.

The Group derives its revenues from the following reportable segments:

Real estate operations

This involves acquisition of land, planning and development of large-scale fully integrated residential communities as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This segment also involves operations and management of cinema and mall, property management and leasing of commercial and office spaces.

Hospitality operations

This involves operation of hotels, including management of resorts, villas, golf course, service apartment and other services for the pleasure, comfort and convenience of guests in said establishments under its management.

Banking and financial services

This involves a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance. The business units in this segment consist of retail banking, corporate banking, consumer banking, and treasury and trust.



Power and utility operations

This involves operation of power plants and supply of power to off-takers and also includes retail electricity supply operations. This segment also involves maintenance, operation and management of waterworks system for distribution and supply of potable water to domestic, commercial, and industrial users.

Sugar operations

This involves operation of agricultural lands for planting and cultivating farm products, operation of a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and selling of sugar.

Other operations

This involves other operations of the Parent Company including FDCI, FBSC, FDIVI and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while FBSC is engaged in providing computer and information technology services. FDIVI was organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS Accounting Standards, except for the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).



December 31, 2025									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱29,213,727	₱3,789,443	₱49,719,499	₱17,522,205	₱7,495,329	₱—	₱107,740,203	₱—	₱107,740,203
Inter-segment	683,239	79,109	640,841	1,313,199	—	—	2,716,388	(2,716,388)	—
	29,896,966	3,868,552	50,360,340	18,835,404	7,495,329	—	110,456,591	(2,716,388)	107,740,203
Other income	11,766,252	591,586	10,365,799	428,684	52,255	—	23,204,576	(10,370,444)	12,834,132
	₱41,663,218	₱4,460,138	₱60,726,139	₱19,264,088	₱7,547,584	₱—	₱133,661,167	(₱13,086,832)	₱120,574,335
EBITDA	₱15,692,684	₱880,606	₱14,245,834	₱7,953,278	₱1,188,889	₱3,550,333	₱43,511,624	(₱5,660,702)	₱37,850,922
Net income (loss)	₱7,395,644	(₱106,637)	₱9,220,561	₱4,507,371	₱809,513	₱1,448,835	₱23,275,287	(₱4,399,019)	₱18,876,268
Assets									
Operating assets	₱261,294,619	₱18,367,504	₱577,121,539	₱43,249,227	₱3,622,273	₱73,271,281	₱976,926,443	(₱104,838,581)	₱872,087,862
Less deferred tax assets - net	168,661	426,193	5,088,902	806,703	43,013	47,847	6,581,319	252,947	6,834,266
Net operating assets	₱261,125,958	₱17,941,311	₱572,032,637	₱42,442,524	₱3,579,260	₱73,223,434	₱970,345,124	(₱105,091,528)	₱865,253,596
Liabilities									
Operating liabilities	₱135,606,142	₱14,108,825	₱495,576,295	₱27,041,658	₱1,096,612	₱23,800,115	₱697,229,647	(₱36,816,566)	₱660,413,081
Less deferred tax liabilities - net	7,736,161	383,887	—	60,362	—	5,107	8,185,517	274,970	8,460,487
Net operating liabilities	₱127,869,981	₱13,724,938	₱495,576,295	₱26,981,296	₱1,096,612	₱23,795,008	₱689,044,130	(₱37,091,536)	₱651,952,594
December 31, 2024									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱26,053,789	₱3,763,329	₱ 41,730,563	₱24,397,973	₱5,815,205	₱—	₱101,760,859	₱—	₱101,760,859
Inter-segment	504,835	—	597,343	1,375,809	—	—	2,477,987	(2,477,987)	—
	26,558,624	3,763,329	42,327,906	25,773,782	5,815,205	—	104,238,846	(2,477,987)	101,760,859
Other income	10,027,959	560,808	8,919,220	164,809	47,108	—	19,719,904	(8,035,225)	11,684,679
	₱36,586,583	₱4,324,137	₱51,247,126	₱25,938,591	₱5,862,313	₱—	₱123,958,750	(₱10,513,212)	₱113,445,538
EBITDA	₱13,768,882	₱914,444	₱12,247,117	₱7,444,190	₱1,067,377	₱3,142,241	₱38,581,309	(₱4,775,130)	₱33,806,179
Net income (loss)	₱6,330,067	(₱3,779)	₱7,607,566	₱3,951,067	₱764,722	₱778,859	₱19,428,502	(₱3,730,149)	₱15,698,353



December 31, 2024									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Assets									
Operating assets	₱250,907,475	₱17,426,016	₱524,737,848	₱38,955,539	₱3,260,950	₱89,405,384	₱924,693,212	(₱111,012,964)	₱813,680,248
Less deferred tax assets - net	102,006	309,298	4,085,435	836,156	110,889	87,048	5,530,832	260,810	5,791,642
Net operating assets	₱250,805,469	₱17,116,718	₱520,652,413	₱38,119,383	₱3,150,061	₱89,318,336	₱919,162,380	(₱111,273,774)	₱807,888,606
Liabilities									
Operating liabilities	₱129,298,179	₱13,417,947	₱451,670,820	₱24,608,086	₱567,494	₱47,738,906	₱667,301,432	(₱40,001,690)	₱627,299,742
Less deferred tax liabilities - net	8,434,100	165,227	—	48,980	—	2,450	8,650,757	457,493	9,108,250
Net operating liabilities	₱120,864,079	₱13,252,720	₱451,670,820	₱24,559,106	₱567,494	₱47,736,456	₱658,650,675	(₱40,459,183)	₱618,191,492
December 31, 2023									
	Real Estate Operations)	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱23,758,661	₱2,856,543	₱33,943,051	₱17,207,202	₱5,027,067	₱—	₱82,792,524	₱—	₱82,792,524
Inter-segment	563,841	—	627,117	1,462,363	169,594	—	2,822,915	(2,822,915)	—
	₱24,322,502	₱2,856,543	₱34,570,168	₱18,669,565	₱5,196,661	—	₱85,615,439	(₱2,822,915)	₱82,792,524
Other income	7,076,840	704,083	7,785,357	415,936	58,172	—	16,040,388	(5,991,371)	10,049,017
	₱31,399,342	₱3,560,626	₱42,355,525	₱19,085,501	₱5,254,833	—	₱101,655,827	(₱8,814,286)	₱92,841,541
EBITDA	₱10,994,632	₱926,594	₱9,252,886	₱5,507,135	₱980,223	₱3,166,975	₱30,828,445	(₱4,957,677)	₱25,870,768
Net income (loss)	₱5,562,613	(₱52,006)	₱6,083,296	₱2,512,123	₱621,450	₱952,368	₱15,679,844	(₱3,543,034)	₱12,136,810
Assets									
Operating assets	₱245,812,029	₱14,780,326	₱464,205,319	₱36,807,927	₱2,895,694	₱88,487,652	₱852,988,947	(₱118,054,914)	₱734,934,033
Less deferred tax assets - net	52,220	309,354	4,098,880	761,746	84,527	62,252	5,368,979	259,967	5,628,946
Net operating assets	₱245,759,809	₱14,470,972	₱460,106,439	₱36,046,181	₱2,811,167	₱88,425,400	₱847,619,968	(₱118,314,881)	₱729,305,087
Liabilities									
Operating liabilities	₱123,234,132	₱11,278,953	₱397,030,156	₱25,301,776	₱621,589	₱46,714,763	₱604,181,369	(₱46,939,211)	₱557,242,158
Less deferred tax liabilities - net	9,923,955	2,286,914	6,073,341	2,103,189	—	336,182	20,723,581	(10,442,018)	10,281,563
Net operating liabilities	₱113,310,177	₱8,992,039	₱390,956,815	₱23,198,587	₱621,589	₱46,378,581	₱583,457,788	(₱36,497,193)	₱546,960,595



The Group's chief operating decision-maker also uses net income per segment after elimination in assessing performance of the identified reportable segments, as follows:

	Net Income (Loss) Before Elimination	Eliminating Entries	Net Income (Loss) After Elimination
(In Thousands)			
December 31, 2025			
Real estate operations	₱7,395,644	(₱938,105)	₱6,457,539
Hospitality operations	(106,637)	371,350	264,713
Banking and financial services	9,220,561	(234,064)	8,986,497
Power and utility operations	4,507,371	405,869	4,913,240
Sugar operations	809,513	26,142	835,655
Other operations	1,448,835	(4,030,211)	(2,581,376)
	₱23,275,287	(₱4,399,019)	₱18,876,268
December 31, 2024			
Real estate operations	6,330,067	(₱622,954)	₱5,707,113
Hospitality operations	(3,779)	269,292	265,513
Banking and financial services	7,607,566	(130,356)	7,477,210
Power and utility operations	3,951,067	352,498	4,303,565
Sugar operations	764,722	(71)	764,651
Other operations	778,859	(3,598,558)	(2,819,699)
	₱19,428,502	(₱3,730,149)	₱15,698,353
December 31, 2023			
Real estate operations	₱5,562,613	(₱25,004)	₱5,537,609
Hospitality operations	(52,006)	157,668	105,662
Banking and financial services	6,083,296	(144,223)	5,939,073
Power and utility operations	2,512,123	322,437	2,834,560
Sugar operations	621,450	(16,035)	605,415
Other operations	952,368	(3,837,877)	(2,885,509)
	₱15,679,844	(₱3,543,034)	₱12,136,810

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2025	2024	2023
(In Thousands)			
EBITDA for reportable segments	₱37,850,922	₱33,806,179	₱25,870,768
Depreciation and amortization (Notes 28 and 29)	(6,415,049)	(6,083,458)	(5,204,280)
Operating profit	31,435,873	27,722,721	20,666,488
Interest expense (Note 29)*	(7,187,158)	(7,167,416)	(5,165,195)
Income before income tax	₱24,248,715	₱20,555,305	₱15,501,293

* Excluding financial liability on lease contract.



Disaggregated Revenue Information:

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and other geographical location within the Philippines.

Real estate operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2025	2024	2023
	(In Thousands)		
Real Estate Sales by Product Type			
Lots, condominium and residential units	₱20,170,495	₱17,567,000	₱16,094,806
Cinema Operations by Type of Goods or Services (included as part of Rental and related services revenue)			
Theater and parking sales	257,696	248,461	214,452
Snack bar sales	15,394	15,188	14,066
	273,090	263,649	228,518
Tenant Dues			
Office leasing	1,120,310	1,176,240	1,149,383
Mall operations	501,740	415,697	379,197
	1,622,050	1,591,937	1,528,580
Total Revenue from Contracts with Customers	22,065,635	19,422,586	17,851,904
Rental and related services			
Office leasing	3,237,991	3,334,270	3,568,857
Mall and retail	2,696,420	2,800,403	2,010,394
Land lease	1,213,682	496,530	327,506
	7,148,093	6,631,203	5,906,757
Total Revenue	₱29,213,728	₱26,053,789	₱23,758,661

The Group's real estate sales and theater sales are revenue from contracts with customers recognized over time while revenue from snack bar sales and parking sales are recognized at a point in time.

Hospitality operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2025	2024	2023
	(In Thousands)		
Hospitality Operations by Type of Services			
Rooms services	₱1,995,229	₱2,148,246	₱1,559,733
Golf operations related services	463,301	405,465	383,635
Other operating departments	167,431	144,514	141,189
	2,625,961	2,698,225	2,084,557
Sale of Goods by Product Type			
Food and beverage	1,163,481	1,065,104	771,986
Total Revenue from Contracts with Customers	₱3,789,442	₱3,763,329	₱2,856,543



The Group recognizes revenue from room services and services of other operating department over time while revenue from sale of food and beverage, souvenirs and others are recognized at a point in time.

Banking and financial services

Disaggregation of each source of revenue from banking and financial services are presented below:

	2025	2024	2023
	(In Thousands)		
Interest Income			
Loans and receivables (Note 9)	₱42,929,780	₱36,029,391	₱29,222,542
Financial assets at FVOCI and investment securities at amortized cost (Note 12)	5,696,889	4,937,096	4,109,779
Financial assets as FVPL (Note 12)	809,242	526,901	220,277
Due from other banks and IBLR (Note 6)	283,588	237,175	390,453
	₱49,719,499	₱41,730,563	₱33,943,051

Power and utility operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2025	2024	2023
	(In Thousands)		
Revenue by Type of Services			
Generated power	₱17,138,888	₱24,378,438	₱17,207,202
Retail electricity supply	383,317	19,535	—
Total Revenue from Contracts with Customers	₱17,522,205	₱24,397,973	₱17,207,202

The Group's revenue from generated power and retail electricity supply is recognized over time.

Sugar operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2025	2024	2023
	(In Thousands)		
By Product Type			
Raw sugar	₱4,834,251	₱3,908,740	₱3,193,067
Milling revenues	2,195,746	1,432,612	1,427,184
Molasses	465,324	476	88,904
Refined sugar	8	473,358	317,912
Others	—	19	—
Total Revenue from Contracts with Customers	₱7,495,329	₱5,815,205	₱5,027,067

The Group's revenue from raw sugar, refined sugar and molasses is recognized at the point when control of the goods is transferred to customers.



36. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

2025					
	Carrying Value	Fair Value			
		Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In Thousands)		
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱13,282,848	₱13,282,848	₱11,487,376	₱1,795,472	₱—
Derivative assets	94,946	94,946	—	94,946	—
Equity securities	10,213	10,213	—	—	10,213
	13,388,007	13,388,007	11,487,376	1,890,418	10,213
Financial assets at FVOCI (Note 12)					
Government debt securities	19,351,022	19,351,022	17,523,228	1,827,794	—
Private bonds	7,012,115	7,012,115	7,012,115	—	—
Quoted equity securities including club shares	1,353,867	1,353,867	1,353,867	—	—
Unquoted equity securities	29,911	29,911	—	—	29,911
	27,746,915	27,746,915	25,889,210	1,827,794	29,911
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	82,242,689	78,570,629	63,432,597	15,138,032	—
Private bonds	2,408,901	1,931,667	1,931,667	—	—
	84,651,590	80,502,296	65,364,264	15,138,032	—
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	51,145,364	53,268,524	—	—	53,268,524
Consumer lending	309,170,673	348,351,104	—	—	348,351,104
Unquoted debt securities	11,228,915	12,824,544	—	—	12,824,544
	371,544,952	414,444,172	—	—	414,444,172
Real estate operations (Note 7)					
Contracts receivable	6,153,709	6,153,709	—	—	6,153,709
Receivables from tenants	2,154,359	2,154,359	—	—	2,154,359
	8,308,068	8,308,068	—	—	8,308,068
Nonfinancial assets					
Investment properties (Note 16)	104,864,869	388,089,233			388,089,233
Total assets	₱610,504,401	₱932,189,458	₱102,740,850	₱18,856,244	₱810,592,364
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities	₱88,045	₱ 88,045	₱—	₱88,045	₱—
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	80,586,581	80,838,457	—	—	80,838,457
Savings	191,410,314	191,410,314	—	—	191,410,314
Demand	155,515,909	155,515,909	—	—	155,515,909
	427,512,804	427,764,680	—	—	427,764,680
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	22,463,099	22,463,099	—	—	22,463,099
Retention fee payable	3,920,928	3,920,928	—	—	3,920,928
Deposits for registration	4,653,399	4,653,399	—	—	4,653,399
	31,037,426	31,037,426	—	—	31,037,426
Long-term and short-term debt (Note 24)	125,678,847	139,187,985	—	—	139,187,985
	₱592,836,791	₱606,597,805	₱—	₱88,045	₱606,509,760



	2024				
	Fair Value				
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Thousands)					
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱9,163,963	₱9,163,963	₱9,163,963	₱—	₱—
Equity securities	10,312	10,312	10,312	—	—
	9,174,275	9,174,275	9,174,275	—	—
Derivative assets (Note 20)	83,133	83,133	—	83,133	—
Financial assets at FVOCI (Note 12)					
Government debt securities	21,762,659	21,762,659	21,762,659	—	—
Private bonds	7,227,180	7,227,180	7,227,180	—	—
Quoted equity securities including club shares	946,710	946,710	946,710	—	—
Unquoted equity securities	47,060	47,060	—	—	47,060
	29,983,609	29,983,609	29,936,549	—	47,060
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	80,137,018	73,471,550	73,471,550	—	—
Private bonds	1,785,732	1,814,434	1,814,434	—	—
	81,922,750	75,285,984	75,285,984	—	—
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	47,254,031	48,883,619	—	—	48,883,619
Consumer lending	266,602,986	299,537,284	—	—	299,537,284
Unquoted debt securities	9,799,939	11,074,399	—	—	11,074,399
	323,656,956	359,495,302	—	—	359,495,302
Real estate operations (Note 7)					
Contracts receivable	4,717,975	4,717,975	—	—	4,717,975
Receivables from tenants	2,784,809	2,784,809	—	—	2,784,809
	7,502,784	7,502,784	—	—	7,502,784
Nonfinancial assets					
Investment properties (Note 16)	103,641,040	350,466,426	—	—	350,466,426
Total assets	₱555,964,547	₱831,991,513	₱114,396,808	₱83,133	₱717,511,572
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities (Note 23)	₱—	₱—	₱—	₱—	₱—
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	74,175,348	74,175,348	—	—	74,175,348
Savings	164,197,890	164,197,890	—	—	164,197,890
Demand	134,169,558	134,169,558	—	—	134,169,558
	372,542,796	372,542,796	—	—	372,542,796
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	24,975,262	24,975,262	—	—	24,975,262
Retention fee payable	3,694,748	3,694,748	—	—	3,694,748
Deposits for registration	1,971,433	1,971,433	—	—	1,971,433
	30,641,443	30,641,443	—	—	30,641,443
Long-term and short-term debt (Note 24)	137,331,240	131,762,987	—	—	131,762,987
	₱540,515,479	₱534,947,226	₱—	₱—	₱534,947,226



The methods and assumptions used by the Group in estimating the fair value of the financial instruments are:

- *Financial assets at FVPL*: Fair value is based on quoted prices as of reporting dates.
- *Loans and receivables*: Fair values of loans and receivables is based on the discounted value of future cash flows using the prevailing interest rates and current incremental lending rates for similar types of receivables for real estate operations and banking and financial services, respectively. Interest rate used was 11.5% - 19.0% in 2025 and 2024. Carrying amounts of cash and cash equivalents approximate fair values considering that these consist mostly of overnight deposits and floating rate placements.
- *Debt securities*: Fair values are generally based upon quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.
- *Equity securities*: Fair values of quoted equity securities are based on quoted market prices.
- *Deposit liabilities*: Fair values of liabilities approximate their carrying amounts due either to the demand nature or the relatively short-term maturities of these liabilities except for time deposit liabilities whose fair value are estimated using the discounted cash flow methodology using EWBC's IBR for similar borrowings with maturities consistent with those remaining for the liability being valued.
- *Bills and acceptances payable*: The carrying amounts approximate fair values due to short-term nature of transactions.
- *Accounts payable, accrued expenses and other liabilities*: On accounts due within 1 year, the fair value of accounts payable, accrued expenses and other liabilities approximates the carrying amounts. On accounts due for more than 1 year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables. Interest rate used was 5.7% and 6.8% in 2025 and 2024, respectively.
- *Derivative instruments*: Fair values of derivative instruments, mainly forwards and swaps, are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique is forward pricing, which uses present value calculations. The model incorporates various inputs including the foreign exchange rates and interest rate curves prevailing at the statement of financial position date.
- *Long-term and short-term debt*: Estimated fair value on debts with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable risk free rates for similar types of loans adjusted for credit risk. The discount rates used range from 4.2% to 7.0% as of December 31, 2025 and 2024, respectively. Long-term debt subjected to quarterly repricing and short-term debt are not discounted since it approximates fair value.

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



37. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost, loans from financial institutions, mortgage and contracts receivables and other receivables. The main purpose of these financial instruments is to raise financing for the Group's operations. The main objectives of the Group's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

Banking and Financial Operations

Risk management

To ensure that corporate goals and objectives and business and risk strategies are achieved, EW utilizes a risk management process that is applied throughout the organization in executing all business activities. Employees' functions and roles fall into 1 of the 3 categories where risk must be managed in the business units, operating units and governance units.

EWBC's activities are principally related to the use of financial instruments and are exposed to credit risk, liquidity risk, operational risk and market risk, the latter being subdivided into trading and non-trading risks. Forming part of a coherent risk management system are the risk concepts, control tools, analytical models, statistical methodologies, historical researches and market analysis, which are being employed by EWBC. These tools support the key risk process that involves identifying, measuring, controlling and monitoring risks.

Risk management structure

a. BOD

EWBC's risk culture is practiced and observed across EWBC putting the prime responsibility on the BOD. It establishes the risk culture and the risk management organization and incorporates the risk process as an essential part of the strategic plan of EWBC. The BOD approves EWBC's articulation of risk appetite which is used internally to help management understand the tolerance for risk in each of the major risk categories, its measurement and key controls available that influence EWBC's level of risk taking. All risk management policies and policy amendments, risk-taking limits such as but not limited to credit and trade transactions, market risk limits, counterparty limits, trader's limits and activities are based on EWBC's established approving authorities which are approved by EWBC's BOD. At a high level, the BOD also approves EWBC's framework for managing risk.

b. Executive Committee

This is a board level committee, which reviews the bank-wide credit strategy, profile and performance. It approves the credit risk-taking activities based on EWBC's established approving authorities and likewise reviews and endorses credit-granting activities, including the Internal Credit Risk Rating System.

c. Loan and Investments Committee

This committee is headed by the Chairman of EWBC whose primary responsibility is to oversee EWBC's credit risk-taking activities and overall adherence to the credit risk management framework, review business/credit risk strategies, quality and profitability of EWBC's credit portfolio and recommend changes to the credit evaluation process, credit risk acceptance criteria and the minimum and target return per credit or investment transaction. All credit risk-taking



activities based on EWBC's established approving authorities are evaluated and approved by this committee.

It establishes an infrastructure by ensuring business units have the right systems and adequate and competent manpower support to effectively manage its credit risk.

d. ALCO

ALCO, a management level committee, meets on a weekly basis and is responsible for the overall management of EWBC's market, liquidity, and financial position related risks. It monitors EWBC's liquidity position and reviews the impact of strategic decisions on liquidity. It is responsible for managing liquidity risks and ensuring exposures remain within established tolerance levels. The ALCO's primary responsibilities include, among others, (a) ensuring that EW and each business unit holds sufficient liquid assets of appropriate quality and in appropriate currencies to meet short-term funding and regulatory requirements, (b) managing financial position and ensuring that business strategies are consistent with its liquidity, capital and funding strategies, (c) establishing asset and/or liability pricing policies that are consistent with the financial position objectives, (d) recommending market and liquidity risk limits to the Risk Management Committee (RMC) and BOD and I approving the assumptions used in contingency and funding plans. It also reviews cash flow forecasts, stress testing scenarios and results, and implements liquidity limits and guidelines.

e. RMC

RMC is a BOD level committee that convenes monthly and is primarily responsible in assisting the BOD in managing the EWBC's risk-taking activities. This is performed by the committee by institutionalizing risk policies and overseeing EWBC's risk management system. It develops and recommends risk appetite and tolerances for the EWBC's major risk exposures to the BOD. Risk management principles, strategies, framework, policies, processes, and initiatives and any modifications and amendments thereto are reviewed and approved by RMC. It oversees and reports to the BOD the effectiveness of the risk management system, overall risk profile, and compliance with the risk appetite and tolerances that the Board approved.

f. Audit Committee (Audit Com)

The Audit Com assists the BOD in fulfilling its responsibilities for overseeing senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide reasonable assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. It is tasked to discuss with management EWBC's major risk exposures and ensures accountability on the part of management to monitor and control such exposures including EWBC's risk assessment and risk management policies. The Audit Com oversees the internal audit function and is responsible for monitoring and reviewing its effectiveness while ensuring its independence.

g. Corporate Governance and Compliance Committee (CGCC)

The CGCC leads the Parent Company in defining and fulfilling the corporate governance policies and attaining best practices while overseeing the implementation of EWBC's compliance program, money laundering and terrorist financing prevention program and ensuring that regulatory compliance issues are resolved expeditiously. In addition to its governance role, the CGCC also assumes the nomination function whereby it reviews and evaluates the qualifications of all persons nominated to the BOD, all direct reports of the President and Chief Executive Officer (CEO), Heads of Governance Units regardless of rank, and other positions of EWBC requiring appointment by the BOD. The committee oversees the annual performance evaluation of the BOD, its committees, and individual directors and conducts an annual self-evaluation of its



performance as prescribed under and in accordance with the Corporate Governance Manual and SEC Code of Corporate Governance for Publicly Listed Companies.

h. RPT Committee

The RPT Committee assists the BOD in ensuring that the transactions with related parties of EWBC are handled in a sound and prudent manner, with integrity and in compliance with the applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. It also ensures that related party transactions are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged by such transactions.

i. Asset Impairment Committee (AIC)

AIC is a management level committee that convenes monthly in a year, and shall officially represent EWBC's source of experienced credit judgement insofar as the asset impairment exercise is concerned. This experienced credit judgment is tapped to provide guidance under the following, but not limited to, conditions: 1) The result of the calculation is assessed to be unreasonable that it is considered as not fairly representative of EWBC's historical experience, current, and prospective credit condition or other conditions deemed relevant in reasonably determining EWBC's assets' recoverable value; 2) There is an adverse change in the prevailing or foreseen prospective economic condition relative to the embedded presumption in the existing impairment framework; and 3) The data set in the calculation parameters is not available or insufficient to complete the calculation.

j. Risk Management Division (RMD)

RMD performs an independent risk governance function within EWBC. RMD is tasked with identifying, measuring, controlling and monitoring existing and emerging risks inherent in EWBC's overall portfolio (on- or off-balance sheet). RMD develops and employs risk assessment tools to facilitate risk identification, analysis and measurement. It is responsible for developing and implementing the framework for policies and practices to assess and manage enterprise-wide market, credit, operational, and all other risks of EWBC.

It also develops and endorses risk tolerance limits for BOD approval, as endorsed by the RMC, and monitors compliance with approved risk tolerance limits. Finally, it regularly appraises the BOD, through the RMC, the results of its risk monitoring.

k. Internal Audit (IA)

IA provides an independent assessment of the adequacy of EWBC's internal controls, risk management, governance framework and execution/operational practices. Internal audit activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPIA) and the Code of Ethics. IA has an adopted a risk assessment methodology, which provides a sound basis in the selection of areas of coverage and frequency of audit for the preparation of the annual audit plan. IA employs a risk-based audit approach that examines both the adequacy of the policies and EWBC's compliance with the procedures while assuring audit coverage of the areas identified as representing the greatest current risk. It discusses the results of assessments with management, and reports its findings and recommendations to the Audit Com. IA's activities are suitably designed to provide the BOD with reasonable assurance that significant financial and operating information is materially complete, reliable and accurate; internal resources are adequately protected; and employee performance is in compliance with EWBC's policies, standards, procedures and applicable laws and regulations.



1. Compliance Division

Compliance Division is vested with the responsibility of overseeing the design of EWBC's Compliance Program and coordinating its effective implementation towards the sound management of Business and Compliance Risks. It also manages the implementation of the Money Laundering and Terrorist Financing Program. Its mandate is to ensure that EWBC is compliant with relevant and applicable laws, rules, regulations, codes of conduct and standards of good practice while avoiding an overly risk-averse environment that inhibits business growth. It serves as EWBC's central point of contact with banking regulators.

The major risk types identified by Group are disclosed in the following section:

Credit Risk

Credit risk refers to the potential loss of earnings or capital arising from an obligor/s, customer/s or counterparty's failure to perform and/or to meet the terms of any contract with EWBC. Credit risks may last for the entire tenor and set at the full amount of a transaction and, in some cases, may exceed the original principal exposures. The risk may arise from lending, trade financing, trading, investments and other activities undertaken by EWBC. To identify and assess this risk, EWBC has: 1) approval process per borrower or business and/or product segment; 2) structured and standardized credit rating for corporate, credit cards, auto and mortgage loans, and risk acceptance criteria for other consumer loans. For large corporate credit transactions, EWBC has a comprehensive procedure for credit evaluation, risk assessment and well-defined concentration limits, which are established for each type of borrower. EWBC's credit risk is managed at the portfolio level, which may be on an overall or by product perspective.

Credit concentration

Excessive concentration of lending plays a significant role in the weakening of asset quality. EWBC reduces this risk by diversifying its loan portfolio across various sectors and borrowers. EWBC believes that good diversification across economic sectors and geographic areas, among others, will enable it to ride through business cycles without causing undue harm to its asset quality.

EWBC's loan portfolio is in line with EWBC's policy of not having significant concentrations of exposure to specific industries or group of borrowers. Management of concentration of risk is by client/counterparty, by industry sector and by geographical location. For risk concentration monitoring purposes, the financial assets are broadly categorized into loans and receivables, loans and advances to banks, and investment securities. EWBC ensures compliance with BSP's limit on exposure to any single person or group of connected persons by closely monitoring large exposures and top 20 borrowers for both single and group accounts.

Aside from ensuring compliance with BSP's limit on exposures to any single person or group of connected persons, it is EWBC's policy to keep the expected loss (determined based on the credit risk rating of the account) of large exposure accounts to, at most, one percent (1.0%) of their aggregate outstanding balance. This is to maintain the quality of EWBC's large exposures. With this, accounts with better risk grades are given priority in terms of being granted a bigger share in EWBC's loan facilities.

Aligned with the Manual of Regulations for Banks definition, EWBC considers its loan portfolio concentrated if it has exposures of more than thirty percent (30.0%) to an industry. In addition to the Concentration Ratio, the Herfindahl-Hirschman Index was implemented by the Bank, where the concentration threshold is set at 0.15.



Credit Concentration Profile as of December 31, 2025 and 2024

Maximum exposure to credit risk

The following table shows EWBC's maximum exposure to credit risk, before and after taking into account any collateral held or other credit enhancements:

	2025				2024			
	Maximum Exposure to Credit Risk [A]	Fair Value of Collateral [B]	Financial Effect of Collateral [C]	Net Exposure [D] = [A] - [C]	Maximum Exposure to Credit Risk [A]	Fair Value of Collateral [B]	Financial Effect of Collateral [C]	Net Exposure [D] = [A] - [C]
(In Thousands)								
Securities purchased under resell agreement (SPURA)	P-	P-	P-	P-	P-	P-	P-	P-
Loans and receivables								
Receivables from customers*								
Corporate lending	61,790,278	25,780,554	6,751,031	55,039,247	59,952,576	27,054,782	9,257,985	50,694,591
Consumer lending	320,585,429	102,643,568	81,716,828	238,868,601	274,352,956	98,913,632	78,179,415	196,173,541
	P382,375,707	P128,424,122	P88,467,859	P293,907,848	P334,305,532	P125,968,414	P87,437,400	P246,868,132

*Excludes unamortized premium

For off-balance sheet items, the figures presented below as reported to BSP summarize EWBC's maximum exposure to credit risk:

	2025					2024				
	Notional Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Credit Risk Mitigation	Net Credit Exposure	Notional Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Credit Risk Mitigation	Net Credit Exposure
(In Thousands)										
Off-balance sheet items*										
Direct credit substitutes	P222,741	100%	P222,741	P-	P222,741	P178,487	100%	P178,487	P-	P178,487
Transaction-related contingencies	3,587,247	50%	1,793,623	-	1,793,623	4,919,003	50%	2,459,502	-	2,459,502
Guarantees	865	20%	173	-	173	3,040	20%	608	-	608
Letters of credit	392,672	20%	78,534	-	78,534	609,710	20%	121,942	-	121,942
	P4,203,525		P2,095,071	P-	P2,095,071	P5,710,240		P2,760,539	P-	P2,760,539

*For all other off-balance sheet exposures, credit conversion factor is 0.00%.

Collateral and other credit enhancements

Collaterals are taken into consideration during the loan application process as they offer an alternative way of collecting from the client should a default occur. The percentage of loan value attached to the collateral offered is part of EWBC's lending guidelines. Such percentages take into account safety margins for foreign exchange rate exposure/fluctuations, interest rate exposure, and price volatility.

Collaterals are valued according to existing credit policy standards and, following the latest appraisal report, serve as the basis for the amount of the secured loan facility. Premium security items are collaterals that have the effect of reducing the estimated credit risk for a facility. The primary consideration for enhancements falling under such category is the ease of converting them to cash.

EWBC is not permitted to sell or re-pledge the collateral in the absence of default by the owner of the collateral. It is EWBC's policy to dispose foreclosed assets in an orderly fashion. The proceeds of the sale of the foreclosed assets, included under 'Investment properties', are used to reduce or repay the outstanding claim. In general, EWBC does not occupy repossessed properties for business use.

As part of EWBC's risk control on security/collateral documentation, standard documents are made for each security type and deviation from the pro-forma documents are subject to legal review prior to implementation.



Credit collaterals profile

The table below provides the collateral profile of the outstanding loan portfolio of EWBC:

	2025		2024	
	Gross Amount	%	Gross Amount	%
Loans secured by:				
Chattel	₱90,614,215	23.70	₱87,345,635	26.13
Real Estate	27,983,085	7.32	23,483,527	7.02
Others*	10,028,252	2.62	15,337,228	4.59
	128,625,552	33.64	126,166,390	37.74
	253,750,155	66.36	208,139,142	62.26
Unsecured	₱382,375,707	100.00	₱334,305,532	100.00

*Consists of government securities, corporate bonds, shares of stock, hold-out on deposits, assignment of receivables etc.

The credit exposures, after due consideration of the allowed credit enhancements, are considered the maximum credit exposure to any client or counterparty.

As for the computation of credit risk weights, hold-out on deposits with EWBC, Home Guaranty cover, and Philippine sovereign guarantees are the only credit risk mitigants considered as eligible.

Large Exposures and Top 20 Borrowers

The table below summarizes the top 20 borrowers and large exposures of EWBC:

	2025			
	Top 20 Borrowers		Large Exposures*	
	Single Borrowers	Group Borrowers	Single Borrowers	Group Borrowers
Aggregate Exposure (In Billions)	₱21,868,337	₱25,713,231	₱8,420,819	₱9,063,719
Composite Risk Rating	4.38	4.49	4.00	4.00
Total Expected Loss/Aggregate Exposure	0.53%	0.60%	0.01%	0.01%

*Large exposures refer to exposures to a counterparty or a group of related counterparties equal to or greater than 10.0% of EWBC's qualifying capital.

	2024			
	Top 20 Borrowers		Large Exposures*	
	Single Borrowers	Group Borrowers	Single Borrowers	Group Borrowers
Aggregate Exposure (In Billions)	₱26,301,306	₱29,408,995	—	₱12,227,344
Composite Risk Rating	4.42	4.42	—	4.00
Total Expected Loss/Aggregate Exposure	0.40%	0.42%	—	0.01%

*Large exposures refer to exposures to a counterparty or a group of related counterparties equal to or greater than 10.0% of EWBC's qualifying capital.



Concentration by Industry

An industry sector analysis of the financial assets of EWBC follows:

	Consolidated					
	2025					
	Loans and Receivables		Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
	Amount	%				
Activities of households as employers and undifferentiated goods-and-services-producing activities of households for own use	₱296,415,375	75.00	₱–	₱–	₱–	₱296,415,375
Wholesale and retail trade, repair of motor vehicles	25,906,470	6.56	–	–	–	25,906,470
Real estate, renting and business activity	24,475,960	6.19	–	15,068	–	24,491,028
Education	8,667,545	2.19	–	–	–	8,667,545
Electricity, gas, steam and air-conditioning supply	8,538,403	1.62	–	2,627,131	–	11,165,534
Manufacturing	8,473,120	2.14	–	–	–	8,473,120
Financial intermediaries	6,404,116	2.16	36,343,716	99,584	–	42,847,416
Other service activities	4,171,230	1.06	–	1,203,129	–	5,374,359
Accommodation and food service activities	3,164,134	0.80	–	592,892	–	3,757,026
Construction	2,480,944	0.50	–	–	–	2,480,944
Government and foreign sovereign	1,956,410	0.63	–	115,469,511	–	117,425,921
Transportation and storage	1,444,937	0.37	–	–	–	1,444,937
Administrative and support service activities	837,014	0.19	–	–	–	837,014
Agriculture, fisheries and forestry	766,315	0.21	–	–	–	766,315
Holding	76,664	0.02	–	4,408,454	–	4,485,118
Others****	1,426,970	0.36	–	8,942	511,484	1,947,396
	395,205,607	100	36,343,716	124,424,711	511,484	556,485,518
Less: Allowance for credit losses (Note 9)	14,427,386	–	1,492	3,543	–	14,432,421
Total	₱380,778,221		₱36,342,224	₱124,421,168	₱511,484	₱542,053,097

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets' (Note 20)

**** Includes Arts and recreation activities, mining and quarrying, human health and social activities, and information and communication.

	2024					
	Loans and Receivables		Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
	Amount	%				
Activities of households as employers and undifferentiated goods-and-services-producing activities of households for own use	₱245,981,909	70.67	₱–	₱–	₱–	₱245,981,909
Real estate, renting and business activity	24,158,158	6.94	–	15,068	–	24,173,226
Wholesale and retail trade, repair of motor vehicles	24,349,576	7.00	–	–	–	24,349,576
Financial intermediaries	11,275,946	3.24	32,875,659	543,369	–	44,694,974
Education	11,354,519	3.26	–	–	–	11,354,519
Manufacturing	7,498,635	2.15	–	100	–	7,498,735
Electricity, gas, steam and air-conditioning supply	6,685,576	1.92	–	2,575,869	–	9,261,445
Other service activities	5,714,031	1.64	–	1,147,480	–	6,861,511
Accommodation and food service activities	2,354,096	0.68	–	561,633	–	2,915,729
Transportation and storage	1,802,273	0.52	–	–	–	1,802,273
Government and foreign sovereign	1,876,518	0.54	–	111,074,777	–	112,951,295
Construction	1,846,242	0.53	–	–	–	1,846,242
Agriculture, fisheries and forestry	1,007,156	0.29	–	–	–	1,007,156
Administrative and support service activities	694,475	0.20	–	–	–	694,475
Holding	75,432	0.02	–	4,194,772	–	4,270,204
Others****	1,414,438	0.40	–	–	559,934	1,974,372
	348,088,980	100	32,875,659	120,113,068	559,934	501,637,641
Less: Allowance for credit losses (Note 9)	11,480,756	–	1,327	11,136	–	11,493,219
Total	₱336,608,224		₱32,874,332	₱120,101,932	₱559,934	₱490,144,422

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets'

**** Includes Arts and recreation activities, mining and quarrying, human health and social activities, and information and communication.



Geographic segmentation

The distribution of EWBC's financial assets and credit commitment items by geographic region as of December 31, 2025 and 2024 follows:

	2025				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
Philippines	P394,869,162	P29,871,531	P108,806,237	P511,484	P534,058,414
Asia (excluding Philippines)	262,277	396,259	11,812,572	—	12,471,108
Australia	—	270,656	—	—	270,656
Europe	20,640	3,329,485	1,349	—	3,351,474
North America	53,528	—	3,804,553	—	3,858,081
USA	—	2,475,785	—	—	2,475,785
	395,205,607	36,343,716	124,424,711	511,484	556,485,518
Allowance for credit losses	14,427,386	1,492	3,543	—	14,432,421
	P380,778,221	P36,342,224	P124,421,168	P511,484	P542,053,097

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets'

	2024				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
Philippines	P347,529,910	P30,144,848	P102,736,831	P503,722	P480,915,311
Asia (excluding Philippines)	286,432	346,037	13,576,130	—	14,208,599
Australia	—	39,337	—	—	39,337
Europe	22,365	565,822	3,789,810	15,356	4,393,353
North America	52,668	—	10,297	—	62,965
USA	—	1,779,615	—	40,856	1,820,471
	347,891,375	32,875,659	120,113,068	559,934	501,440,036
Allowance for credit losses	11,480,756	1,327	11,136	—	11,493,219
	P336,410,619	P32,874,332	P120,101,932	P559,934	P489,946,817

* Includes Due from BSP, Due from Other Banks and IBLR

** Includes financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets' and commitments and contingent accounts

The following summarizes EWBC's credit risk management practices and the relevant quantitative and qualitative financial information regarding the credit exposures according to EWBC's portfolios:

Internal Credit Risk Rating System

EWBC's employs a credit scoring system for borrowers to assess risks relating to the borrower and the loan exposure. Borrower risk is evaluated by considering (a) quantitative factors, such as financial condition and (b) qualitative factors, such as management quality and industry outlook.

For corporate loans, the financial condition assessment focuses on profitability, liquidity, working capital management, and leverage. Management quality determination is based on the borrower's strategies, management competence and skills, and management of banking relationship while industry outlook is evaluated based on its importance to the economy, growth, industry structure and relevant government policies. Based on these factors, each borrower is assigned a Borrower Risk Rating (BRR), that ranges from 1 to 6. A borrower may be downgraded when it exhibits the characteristics of a classified account described below, in which case it will be assigned a risk rating ranging from 7 to 10.

The BRR for each borrower is reviewed annually. A more frequent review is warranted in cases where the borrower has a higher risk profile or when there are extraordinary or adverse developments affecting the borrower, the industry and/or the Philippine economy.



The following is a brief explanation of EWBC's risk grades:

Rating	Description	Account/Borrower Characteristics
1	Excellent	• low probability of going into default within the coming year; very high debt service capacity and balance sheets show no sign of any weakness • has ready access to adequate funding sources • high degree of stability, substance and diversity • of the highest quality under virtual economic conditions
2	Strong	• low probability of going into default in the coming year • access to money markets is relatively good • business remains viable under normal market conditions • strong market position with a history of successful financial performance • financials show adequate cash flows for debt servicing and generally conservative balance sheets
3	Good	• sound but may be susceptible, to a limited extent, to cyclical changes in the markets in which they operate • financial performance is good and capacity to service debt remains comfortable • cash flows remain healthy and critical balance sheet ratios are at par with industry norms • reported profits in the past three years and expected to sustain profitability in the coming year
4	Satisfactory	• clear risk elements exist and probability of going into default is somewhat greater, as reflected in the volatility of earnings and overall performance • normally have limited access to public financial markets • able to withstand normal business cycles, but expected to deteriorate beyond acceptable levels under prolonged unfavorable economic period • combination of reasonably sound asset and cash flow protection
5	Acceptable	• risk elements for the EWBC are sufficiently pronounced, but would still be able to withstand normal business cycles • immediate deterioration beyond acceptable levels is expected given prolonged unfavorable economic period • there is sufficient cash flow either historically or expected in the future in spite of economic downturn combined with asset protection



Rating	Description	Account/Borrower Characteristics
5B	Acceptable	• financial condition hard to ascertain due to weak validation of financial statements coupled by funding leakages to other business interests whose financial condition is generally unknown • continuous decline in revenues and margins due to competition • substantial or unexplained build-up in borrowings with banks financing bulk of working capital and capex requirements coupled by substantial dividends pay-outs • chronically tight cash flows with operating income negative or barely enough for debt servicing • with past record of past due loans with other banks, cancelled credit cards and court cases
6	Watchlist	• with identified disruptions that may negatively affect performance but are likely to be resolved within the year • deteriorating revenue, net income, margins, and sustained increase in debt levels despite a slowdown in business activity • diversion of fund to non-core or start-up businesses and other investments that are known to be unprofitable or high risk • past due on interest and/or principal for ≤ 30 days and the delinquency is deemed temporary in nature • account is still in current status but already restructured but no payment experience yet or requesting for payment deferments or loan restructuring • with temporary cashflow pressures arising from unexpected circumstances but are likely to be resolved once these adverse events are mitigated or resolved.
7	Special Mention	• past due on interest and/or principal payments up to 90 days and the delinquency is not temporary in nature • intermittent delays or inadequate repayment of principal, interest or amortizations • past due account that is already requesting for payment deferments or loan restructuring • restructured account that has yet to meet the required track record of sustained payments • continuous renewal/extension without reduction in principal and lines with all creditors maxed-out and no clear source of repayment due to chronic tightness in cashflows • prolonged contraction in the business brought by adverse economic or market conditions resulting in net losses and affecting its capacity to pay • deficiency in documentation which have not been rectified within an agreed period of time unless for justifiable reasons



Rating	Description	Account/Borrower Characteristics
8	Substandard	• NPL or with chronic delays in payment because of unstable cashflow or with no definite commitment to pay or restructure • loans have already been restructured but conditions have not been fully met or tenor has been renegotiated • net loss for the last 2 years that have wiped out capital and business sustainability is a concern unless a major turnaround in business occurs. • due to difficulty in generating cashflows to service debt, repayment of the loans depends on non-operating sources such as collateral, personal funds or other assets • breach of key financial covenants that will have a significant effect on the borrower's capacity to pay
9	Doubtful	• business heavily affected by environmental, economic, health, regulatory issues to the point that closure or bankruptcy is becoming imminent • business is almost bankrupt and the only possible solution are either merger, acquisition, capital infusion or refinancing plans which are still being worked-out • business closure is imminent due to challenging business conditions such as substantial loss of market share, unsalable products due to obsolescence, tight competition and influx of cheap substitutes • with uncertainty if the Parent Company could find leviabile assets or if there are other assets that can be liquidated, full recovery of principal remains uncertain due to marketability and other outstanding claims • client is difficult to coordinate with and is non-responsive to demand letters sent • Legal cases filed
10	Loss	• business is non-operational and loans are considered absolutely uncollectible due to presence of fraud and major build-up of claims and litigation • borrower's whereabouts unknown or insolvent or earning power-impaired and guarantors are insolvent or guarantee not financially supported

It is EWBC's policy to maintain accurate and consistent risk ratings across the corporate credit portfolio. This facilitates a focused management of the applicable risk and the comparison of credit exposures across all lines of businesses, geographic regions, and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the EWBC's rating policy. The risk ratings are assessed and updated regularly.

The consumer loan portfolio of EWBC is composed of the following product lines: credit cards, auto, mortgage, salary, personal and branch loans. Each of these products has established credit risk guidelines and systems for managing credit risk across all business. For credit cards, auto and mortgage loans, application and behavioral scoring models are in place that primarily consider demographic variables and payment behavior, respectively, for the assessment of the likelihood of default by the borrower. For the other consumer loans, minimum risk acceptance criteria was set for



each portfolio according to the nature of the product and the target market, and is used for the evaluation of the credit quality of borrowers at origination.

For purposes of comparison of different exposure types, the credit portfolios of EWBC are benchmarked against marketable corporate debt securities (using the S&P global study on corporate exposures) based on credit risk rating and corresponding PDs.

EWBC assigns credit risk using the following credit score masterscale:

Credit quality	Description	Credit rating
Investment Grade	These accounts are of the highest quality and are likely to meet financial obligations.	AAA to AA+ AA AA- A+ A A- BBB+ BBB
Standard Grade	These accounts may be vulnerable to adverse business, financial and economic conditions but are expected to meet financial obligations.	BBB- BB+ BB BB- B+ B B-
Substandard Grade	These accounts are vulnerable to non-payment but for which default has not yet occurred.	CCC+ to C-
Non-Performing	These refer to accounts which are in default or those that demonstrate objective evidence of impairment.	Default

External Ratings

EWBC also uses external ratings, such as Standard & Poor's, Moody's, and Fitch, to evaluate its counterparties and in its assignment of credit risk weights to its banking book exposures.

Transactions falling under this category are normally of the following nature: placements with other banks, money market lending, debt security investments, and to some extent, equity security investments.



Credit Rating Grades of Gross Carrying Amounts of Financial Assets

The credit quality by class of EWBC's loans and receivables (gross of allowance for credit losses and unamortized premium) as of December 31, 2025 and 2024 are as follows:

	2025			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans*				
Investment Grade	₱17,809,182	₱—	₱—	₱17,809,182
Standard Grade	39,468,260	2,171,229	—	41,639,489
Substandard Grade	—	3,647	—	3,647
Non-Performing	—	—	2,348,245	2,348,245
	57,277,442	2,174,876	2,348,245	61,800,563
Auto loans				
Investment Grade	6,415,710	—	—	6,415,710
Standard Grade	69,375,973	705,232	—	70,081,205
Substandard Grade	75,453	2,802,260	—	2,877,713
Non-Performing	—	—	5,360,689	5,360,689
	75,867,136	3,507,492	5,360,689	84,735,317
Credit cards				
Investment Grade	3,997	—	—	3,997
Standard Grade	93,956,779	855,016	—	94,811,795
Substandard Grade	596,673	3,942,204	—	4,538,877
Non-Performing	—	—	3,625,332	3,625,332
	94,557,449	4,797,220	3,625,332	102,980,001
Mortgage loans				
Investment Grade	15,207,354	—	—	15,207,354
Standard Grade	1,712,113	1,868,538	—	3,580,651
Substandard Grade	—	645	—	645
Non-Performing	—	—	891,639	891,639
	16,919,467	1,869,183	891,639	19,680,289
Other consumer loans**				
Investment Grade	39,801	—	—	39,801
Standard Grade	96,819,610	1,050,785	—	97,870,395
Substandard Grade	—	4,079,539	—	4,079,539
Non-Performing	—	—	4,114,401	4,114,401
	96,859,411	5,130,324	4,114,401	106,104,136
Other receivables***				
Investment Grade	2,415,050	—	—	2,415,050
Standard Grade	6,009,850	164,788	—	6,174,638
Substandard Grade	6,382	1,655,431	—	1,661,813
Non-Performing	—	—	2,578,399	2,578,399
	8,431,282	1,820,219	2,578,399	12,829,900
Total	₱349,912,187	₱19,299,314	₱18,918,705	₱388,130,206

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

	2024			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans*				
Investment Grade	₱21,361,349	₱–	₱–	₱21,361,349
Standard Grade	35,978,401	491,268	–	36,469,669
Substandard Grade	–	39,925	–	39,925
Non-Performing	–	–	2,086,025	2,086,025
	57,339,750	531,193	2,086,025	59,956,968

(Forward)



	2024			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Auto loans				
Investment Grade	₱2,302,737	₱–	₱–	₱2,302,737
Standard Grade	69,775,372	919,476	–	70,694,848
Substandard Grade	40,404	2,647,021	–	2,687,425
Non-Performing	–	–	5,499,466	5,499,466
	72,118,513	3,566,497	5,499,466	81,184,476
Credit cards				
Investment Grade	1,273	–	–	1,273
Standard Grade	67,747,527	627,487	–	68,375,014
Substandard Grade	408,297	2,453,652	–	2,861,949
Non-Performing	–	–	2,352,497	2,352,497
	68,157,097	3,081,139	2,352,497	73,590,733
Mortgage loans				
Investment Grade	–	–	–	–
Standard Grade	17,745,951	222,750	–	17,968,701
Substandard Grade	–	1,096,225	–	1,096,225
Non-Performing	–	–	1,070,550	1,070,550
	17,745,951	1,318,975	1,070,550	20,135,476
Other Consumer Loans**				
Investment Grade	57,328	–	–	57,328
Standard Grade	84,487,459	100,696	–	84,588,155
Substandard Grade	3,948	3,470,377	–	3,474,325
Non-Performing	–	–	3,820,824	3,820,824
	84,548,735	3,571,073	3,820,824	91,940,632
Other receivables***				
Investment Grade	2,090,154	–	–	2,090,154
Standard Grade	10,751,454	140,633	–	10,892,087
Substandard Grade	5,599	442,713	–	448,312
Non-Performing	–	–	294,225	294,225
	12,847,207	583,346	294,225	13,724,778
Total	₱312,757,253	₱12,652,223	₱15,123,587	₱340,533,063

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

The credit quality by class of EWBC's financial assets other than loans and receivables (gross of allowance for credit losses) as of December 31, 2025 and 2024 are as follows:

Credit Score	2025			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Due from BSP				
Investment Grade	₱20,257,501	₱–	₱–	₱20,257,501
Due from other banks				
Investment Grade	9,292,834	–	–	9,292,834
Interbank loans receivables and SPURA				
Investment Grade	6,793,380	–	–	6,793,380
Financial assets at FVPL				
Investment Grade	13,388,007	–	–	13,388,007
Financial assets at FVOCI				
Investment Grade	24,654,885	–	–	24,654,885
Standard Grade	552,885	1,173,801	–	1,726,686
	25,207,770	1,173,801	–	26,381,571

(Forward)



Credit Score	2025			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost				
Investment Grade	₱83,016,220	₱—	₱—	₱83,016,220
Standard Grade	—	1,638,913	—	1,638,913
	83,016,220	1,638,913	—	84,655,133
Other financial assets				
Standard Grade	35,919	—	—	35,919
Non-Performing	—	—	654,909	654,909
	35,919	—	654,909	690,828
Total	₱157,991,631	₱2,812,714	₱654,909	₱161,459,254
Credit Score	2024			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Due from BSP				
Investment Grade	₱27,361,439	₱—	₱—	₱27,361,439
	27,361,439	—	—	27,361,439
Due from other banks				
Investment Grade	4,750,666	—	—	4,750,666
	4,750,666	—	—	4,750,666
IBLR and SPURA				
Investment Grade	763,554	—	—	763,554
	763,554	—	—	763,554
Financial assets at FVTPL				
Investment Grade	9,174,276	—	—	9,174,276
	9,174,276	—	—	9,174,276
Financial assets at FVTOCI				
Investment Grade	26,823,393	—	—	26,823,393
Standard Grade	523,376	1,658,137	—	2,181,513
	27,346,769	1,658,137	—	29,004,906
Investment securities at amortized cost				
Investment Grade	80,321,744	—	—	80,321,744
Standard Grade	—	1,612,142	—	1,612,142
	80,321,744	1,612,142	—	81,933,886
Other financial assets*				
Standard Grade	83,133	—	—	83,133
Non-performing	—	—	617,366	617,366
	83,133	—	617,366	700,499
Total	₱149,801,581	₱3,270,279	₱617,366	₱153,689,226

*Includes security deposits, derivative assets, downpayments and advanced payments, returned cash and other cash items (RCOCI)

Analysis of movements of gross carrying amounts

The movements in the EWBC's total loans and receivables (excluding unamortized premium and allowance for credit and impairment losses) in 2025 and 2024 follow:

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of year	₱312,275,386	₱12,938,368	₱15,180,374	₱340,394,128
Newly originated assets that remained in Stage 1 as at December 31, 2025	370,182,478	—	—	370,182,478
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	12,025,629	8,138,851	20,164,480
Movements in receivable balance	(313,445,362)	(6,887,642)	(6,673,738)	(327,006,742)
Foreclosures	(2,486,347)	(772,338)	(1,823,906)	(5,082,591)
Write-offs	(946,485)	(326,411)	(9,248,651)	(10,521,547)
Transfers from Stage 1	(16,775,459)	7,321,714	9,453,745	—
Transfers from Stage 2	1,991,087	(6,469,894)	4,478,807	—
Transfers from Stage 3	468,743	111,054	(579,797)	—
Balance at end of year	₱351,264,041	₱17,940,480	₱18,925,685	₱388,130,206

2024



	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱255,512,620	₱26,675,910	₱19,477,653	₱301,666,183
Newly originated assets that remained in Stage 1 as at December 31, 2022	339,607,760	—	—	339,607,760
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2022	—	8,605,997	3,425,763	12,031,760
Movements in receivable balance	(280,475,679)	(13,104,215)	(9,979,218)	(303,559,112)
Write-offs	(2,499,196)	(1,968,373)	(4,884,893)	(9,352,462)
Transfers from Stage 1	(9,579,677)	5,003,854	4,575,823	—
Transfers from Stage 2	9,040,941	(12,359,865)	3,318,924	—
Transfers from Stage 3	668,618	85,061	(753,679)	—
Balances at end of year	₱312,275,387	₱12,938,369	₱15,180,373	₱340,394,129

The breakdown of the total gross carrying amounts of the EWBC's loans and receivables (before taking into account any allowance for credit and impairment losses, and unamortized premium) in 2025 and 2024 is as follows:

	2025			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Corporate loans*				
Balance at beginning of year	₱56,981,165	₱889,777	₱2,086,025	₱59,956,968
Newly originated assets that remained in Stage 1 as at December 31, 2025	128,323,621	—	—	128,323,621
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	4,045,701	359,471	4,405,173
Movements in receivable balance	(128,183,814)	(2,158,829)	(511,154)	(130,853,797)
Write-offs	—	—	(31,401)	(31,401)
Transfers from Stage 1	(105,231)	22,673	82,559	—
Transfers from Stage 2	10,091	(372,836)	362,745	—
Transfers from Stage 3	—	—	—	—
	57,025,832	2,426,486	2,348,245	61,800,563
Auto loans				
Balance at beginning of year	72,118,501	3,566,497	5,499,477	81,184,475
Newly originated assets that remained in Stage 1 as at December 31, 2025	31,194,983	—	—	31,194,983
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	801,944	423,594	1,225,539
Movements in receivable balance	(21,268,094)	(1,049,000)	(1,096,970)	(23,414,064)
Foreclosures	(2,424,112)	(766,568)	(1,662,107)	(4,852,787)
Write-offs	—	—	(602,829)	(602,829)
Transfers from Stage 1	(4,418,501)	2,787,508	1,630,993	—
Transfers from Stage 2	550,000	(1,842,811)	1,292,811	—
Transfers from Stage 3	114,347	9,921	(124,268)	—
	75,867,124	3,507,491	5,360,702	84,735,317
Credit cards				
Balance at beginning of year	68,157,097	3,081,139	2,352,497	73,590,733
Newly originated assets that remained in Stage 1 as at December 31, 2025	88,588,496	—	—	88,588,496
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	2,289,613	2,875,877	5,165,490
Movements in receivable balance	(54,217,731)	(603,230)	(1,804,424)	(56,625,385)
Write-offs	(4,602)	(974)	(7,733,758)	(7,739,334)
Transfers from Stage 1	(8,824,245)	2,761,585	6,062,660	—
Transfers from Stage 2	732,392	(2,802,549)	2,070,157	—
Transfers from Stage 3	126,042	71,564	(197,606)	—
	94,557,449	4,797,149	3,625,403	102,980,001
Mortgage loans				
Balance at beginning of year	17,745,951	1,318,975	1,070,550	20,135,476
Newly originated assets that remained in Stage 1 as at December 31, 2025	2,882,276	—	—	2,882,276
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	41,633	10,884	52,517
Movements in receivable balance	(2,820,528)	(206,632)	(133,017)	(3,160,177)
Foreclosures	(62,235)	(5,770)	(161,799)	(229,804)

(Forward)



	2025			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Transfers from Stage 1	(₱721,929)	₱596,275	₱125,655	₱—
Transfers from Stage 2	417,200	(545,611)	128,411	—
Transfers from Stage 3	137,153	11,892	(149,045)	—
	17,577,889	1,210,761	891,639	19,680,289
Other consumer loans**				
Balance at beginning of year	84,549,150	3,570,658	3,820,825	91,940,633
Newly originated assets that remained in Stage 1 as at December 31, 2025	113,829,228	—	—	113,829,228
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	3,240,427	1,465,689	4,706,116
Movements in receivable balance	(97,611,946)	(2,625,567)	(1,989,967)	(102,227,479)
Write-offs	(941,883)	(325,437)	(877,040)	(2,144,360)
Transfers from Stage 1	(2,372,096)	1,049,601	1,322,495	—
Transfers from Stage 2	236,965	(717,408)	480,443	—
Transfers from Stage 3	90,456	17,583	(108,039)	—
	97,779,873	4,209,858	4,114,406	106,104,137
Other receivables***				
Balance at beginning of year	12,723,521	511,320	351,002	13,585,843
Newly originated assets that remained in Stage 1 as at December 31, 2025	5,363,875	—	—	5,363,875
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	1,606,310	2,205,308	3,811,617
Movements in receivable balance	(9,343,250)	(244,384)	(1,080,494)	(10,668,128)
Write-offs	—	—	(3,624)	(3,624)
Transfers from Stage 1	(333,456)	104,072	229,384	—
Transfers from Stage 2	44,439	(188,678)	144,239	—
Transfers from Stage 3	745	94	739,476	740,316
	8,455,874	1,788,733	2,585,292	12,829,900
	₱351,264,041	₱17,940,479	₱18,925,687	₱388,130,206

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans and Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

	2024			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans*				
Balance at beginning of year	₱52,839,509	₱3,918,194	₱2,873,648	₱59,631,351
Newly originated assets that remained in Stage 1 as at December 31, 2024	144,514,898	—	—	144,514,898
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	3,132,907	290,504	3,423,411
Movements in receivable balance	(140,962,099)	(5,518,954)	(147,979)	(146,629,032)
Write-offs	—	—	(1,077,558)	(1,077,558)
Transfers from Stage 1	(16,995)	—	16,995	—
Transfers from Stage 2	600,349	(650,349)	50,000	—
Transfers from Stage 3	5,504	7,979	(13,483)	—
Balance at end of year	56,981,166	889,777	1,992,127	59,863,070
Auto loans				
Balance at beginning of year	63,120,779	8,292,879	6,402,225	77,815,883
Newly originated assets that remained in Stage 1 as at December 31, 2024	32,618,677	—	—	32,618,677
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	1,001,217	926,497	1,927,714
Movements in receivable balance	(23,083,753)	(2,873,348)	(3,675,549)	(29,632,650)
Write-offs	(10,261)	(1,794)	(1,533,092)	(1,545,147)
Transfers from Stage 1	(3,834,127)	2,139,222	1,694,905	—
Transfers from Stage 2	3,175,986	(5,005,592)	1,829,606	—
Transfers from Stage 3	131,201	13,913	(145,114)	—
Balance at end of year	72,118,502	3,566,497	5,499,478	81,184,477
Credit cards				
Balance at beginning of year	44,611,146	7,168,631	2,133,105	53,912,882
Newly originated assets that remained in Stage 1 as at December 31, 2024	64,662,080	—	—	64,662,080
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	1,506,284	934,988	2,441,272
Movements in receivable balance	(40,518,327)	(800,997)	(567,228)	(41,886,552)
Write-offs	(1,924,645)	(1,774,507)	(1,639,796)	(5,338,948)

(Forward)



	2024			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Transfers from Stage 1	(P456,250)	P382,745	P73,505	P-
Transfers from Stage 2	946,928	(1,074,982)	128,054	-
Transfers from Stage 3	153,457	25,703	(179,160)	-
Balance at end of year	17,745,951	1,318,975	1,070,550	20,135,476
Other consumer loans**				
Balance at beginning of year	71,113,653	3,910,234	3,672,541	78,696,428
Newly originated assets that remained in Stage 1 as at December 31, 2024	85,627,133	-	-	85,627,133
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	2,610,917	1,145,849	3,756,766
Movements in receivable balance	(69,546,770)	(3,033,473)	(2,153,630)	(74,733,873)
Write-offs	(564,290)	(192,073)	(649,459)	(1,405,822)
Transfers from Stage 1	(2,348,528)	962,458	1,386,070	-
Transfers from Stage 2	185,081	(708,895)	523,814	-
Transfers from Stage 3	82,871	21,488	(104,359)	-
Balance at end of year	84,549,150	3,570,656	3,820,826	91,940,632
Other receivables***				
Balance at beginning of year	7,306,985	1,201,675	3,153,154	11,661,814
Newly originated assets that remained in Stage 1 as at December 31, 2024	9,385,908	-	-	9,385,908
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	315,121	94,574	409,695
Movements in receivable balance	(3,946,935)	(639,104)	(3,206,652)	(7,792,691)
Write-offs	-	-	(28,776)	(28,776)
Transfers from Stage 1	(296,014)	120,664	175,350	-
Transfers from Stage 2	266,969	(487,406)	220,437	-
Transfers from Stage 3	6,608	372	(6,980)	-
Balance at end of year	12,723,521	511,322	401,107	13,635,950
Transfers from Stage 1	312,475,386	12,938,368	15,136,585	340,550,339
Transfers from Stage 2	(456,250)	382,745	73,505	-
Transfers from Stage 3	946,928	(1,074,982)	128,054	-
Transfers from Stage 3	153,457	25,703	(179,160)	-
Balance at end of year	17,745,951	1,318,975	1,070,550	20,135,476
Other consumer loans**				
Balance at beginning of year	71,113,653	3,910,234	3,672,541	78,696,428
Newly originated assets that remained in Stage 1 as at December 31, 2024	85,627,133	-	-	85,627,133
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	2,610,917	1,145,849	3,756,766
Movements in receivable balance	(69,546,770)	(3,033,473)	(2,153,630)	(74,733,873)
Write-offs	(P564,290)	(P192,073)	(P649,459)	(P1,405,822)

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

Credit risk weighting as of December 31, 2025 and 2024

Total Credit Risk Exposure after Risk Mitigation

The table below shows the different credit risk exposures of EWBC after credit risk mitigation, by risk weight applied in accordance with BSP Circular No. 538:

	2025						
	Capital Deduction	Risk Buckets					Total
		0%	20%	50%	75%	100%	150%
Credit risk exposure after risk mitigation							
On-balance sheet assets	P14,455,482	P61,542,297	P8,038,204	P85,689,075	P4,342,564	P370,012,173	P13,400,586
Off-balance sheet assets	-	-	-	-	-	2,095,072	-
Counterparty in the banking book (derivatives and repo-style transactions)	-	-	50,753	1,360,176	-	-	1,410,929
	14,455,482	61,542,297	8,088,957	87,049,250	4,342,564	372,107,245	14,811,515
Credit Risk Weighted Assets	P-	P-	P1,617,791	P43,524,625	P3,256,923	P372,107,245	P22,217,273
							P442,723,857



	2024							
	Capital Deduction	Risk Buckets						
		0%	20%	50%	75%	100%	150%	Total
Credit risk exposure after risk mitigation								
On-balance sheet assets	₱12,896,069	₱65,108,264	₱1,763,312	₱87,298,086	₱5,168,532	₱316,770,754	₱13,313,498	₱489,422,446
Off-balance sheet assets	—	—	—	—	—	2,760,539	—	2,760,539
Counterparty in the banking book (derivatives and repo-style transactions)								
	—	—	171,739	2,414,932	—	—	2,586,672	5,173,343
	12,896,069	65,108,264	1,935,051	89,713,018	5,168,532	319,531,293	15,900,170	494,595,789
Credit Risk Weighted Assets	₱—	₱—	₱387,010	₱44,856,509	₱3,876,399	₱319,531,293	₱23,850,255	₱392,501,466

Liquidity Risk

Liquidity risk is the risk that sufficient funds are unavailable to adequately meet all maturing liabilities, including demand deposits and off-balance sheet commitments. The main responsibility of daily asset liability management lies with EWBC's Treasury Group, specifically the Liquidity Desk, which are tasked to manage the balance sheet and have thorough understanding of the risk elements involved in the respective businesses. Only EWBC and EWRB are potentially exposed to liquidity risk exposures, where their liquidity risk management are monitored by their respective ALCOs. Resulting analysis of the balance sheet along with the recommendation is presented during the weekly ALCO meeting where deliberations, formulation of actions and decisions are made to minimize risk and maximize EWBC returns. Discussions include actions taken in the previous ALCO meeting, economic and market status and outlook, liquidity risk, pricing and interest rate structure, limit status and utilization. To ensure both EWBC and EWRB have sufficient liquidity at all times, the respective ALCO formulates a contingency funding plan which sets out the amount and the sources of funds (such as unutilized credit facilities) available to both entities and the circumstances under which such funds will be used.

By way of the Maximum Cumulative Outflow (MCO) limit, EWBC is able to manage its long-term liquidity risks by placing a cap on the outflow of cash on a cumulative basis. EWBC takes a multi-tiered approach to maintaining liquid assets. EWBC's principal source of liquidity is comprised of cash and other cash items (COCI), due from BSP, due from other banks and IBLR with maturities of less than one year. In addition to regulatory reserves, EWBC maintains a sufficient level of secondary reserves in the form of liquid assets such as short-term trading and investment securities that can be realized quickly.

Analysis of financial assets and liabilities by remaining maturities

The tables below present the maturity profile of the financial assets and liabilities of EWBC which it uses to manage its liquidity risk. It is based on its internal methodology to determine the expected date the financial asset will be realized, or the financial liability will be settled. This is done through cash flow measurement and projections using contractual undiscounted cash flows or derived from the behavioral assumptions for the assets or liabilities. This approach is used to properly estimate future cash flows and enable it to proactively manage its liquidity requirement.

	2025						Total
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	
Financial Assets							
Cash and cash equivalents*	P37,987,535	P6,793,380	P—	P—	P—	P—	P44,780,915
Investments and trading securities**	—	9,041	17,217	26,542	55,394	227,433,515	227,541,709
Loans and receivables***	60,358,299	67,398,821	21,793,617	19,498,424	20,008,066	328,449,550	517,506,777
Other assets	—	116,968	—	—	—	397,259	514,227
	P98,345,834	P74,318,210	P21,810,834	P19,524,966	P20,063,460	P556,280,324	P790,343,628



2025							
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	Total
Financial Liabilities							
Deposit liabilities****	₱315,101,712	₱60,803,565	₱40,387,915	₱8,084,294	₱5,809,962	₱3,857,902	₱434,045,350
Bills and acceptances payable	—	21,110,547	9,314,750	—	—	—	30,425,297
Lease liability	—	91,538	181,981	272,499	545,839	8,829,137	9,920,994
Other liabilities	—	—	—	—	13,114,999	4,692,263	17,807,262
Contingent liabilities*****	1,000	6,497	2,956	11,116	14,929	24,168	60,666
	₱315,102,712	₱82,012,147	₱49,887,602	₱8,367,909	₱19,485,729	₱17,403,470	₱492,259,569

*Consists of cash and cash other items, due from BSP, due from other banks and Interbank loans receivables and SPURA

**Consists of financial assets at FVPL, investment securities at amortized cost, financial assets at FVOCI and interest receivables from investment securities at amortized cost

***Consists of loans and receivables, sales contract receivables, bills purchased, accrued interest receivables, accounts receivables, unearned discounts and other assets classified as financial assets

****Consist of demand and savings deposit, time certificate of deposit, long term negotiable certificates of deposit and interest payable for these deposit liabilities

***** Consists of forecasted utilization from credit cards lines, and forecasted utilization from CBG credit lines

2024							
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	Total
Financial Assets							
Cash and cash equivalents*	₱41,471,036	₱763,554	₱—	₱—	₱—	₱—	₱42,234,590
Investments and trading securities**	—	8,528	16,232	25,035	50,621	235,921,842	236,022,258
Loans and receivables***	43,320,011	51,210,348	20,766,233	17,665,595	23,039,016	306,026,031	462,027,234
Contingent assets	—	157,711	—	—	—	404,935	562,646
	₱84,791,047	₱52,140,141	₱20,782,465	₱17,690,630	₱23,089,637	₱542,352,808	₱740,846,728
Financial Liabilities							
Deposit liabilities****	₱311,596,413	₱56,690,497	₱36,674,337	₱13,239,405	₱11,768,169	₱4,532,334	₱434,501,155
Bills and acceptances payable	—	164,162	312,438	481,896	974,383	42,302,624	44,235,503
Lease liability	5,853,895	(873,999)	195,598	273,098	1,726,164	6,426,239	13,600,995
Other liabilities	—	—	—	—	11,773,753	5,103,996	16,877,749
Contingent liabilities*****	—	7,729	9,053	11,553	15,938	—	44,273
	₱317,450,308	₱55,988,389	₱37,191,426	₱14,005,952	₱26,258,407	₱58,365,193	₱509,259,675

*Consists of cash and cash other items, due from BSP, due from other banks and Interbank loans receivables and SPURA

**Consists of financial assets at FVPL, investment securities at amortized cost, financial assets at FVOCI and interest receivables from investment securities at amortized cost

***Consists of loans and receivables, sales contract receivables, bills purchased, accrued interest receivables, accounts receivables, unearned discounts and other assets classified as financial assets

**** Consist of demand and savings deposit, time certificate of deposit, long term negotiable certificates of deposit and interest payable for these deposit liabilities

***** Consists of forecasted utilization from credit cards lines, and forecasted utilization from CBG credit lines

EWBC manages liquidity by maintaining sufficient liquid assets in the form of cash and cash equivalents, investment securities and loan receivables. As of December 31, 2025 and 2024, ₱185.58 billion (41.11%) and ₱154.0 billion (36.83%), respectively, of EWBC's total gross loans and receivables had remaining maturities of less than 1 year. The total portfolio of trading and investment securities is comprised mostly of sovereign-issued securities that have high market liquidity. With the above presented liquidity profile, EWBC remains to be inhibited from liquidity risk that it cannot adequately manage.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. EWBC treats exposures to market risk as either for trading or accrual/balance sheet exposure. The market risk for the trading portfolio is measured using Value at Risk (VaR). Interest rate risk of accrual portfolios in the Banking Book are measured using Earnings at Risk (EaR).

Market Risk in the Trading Books

The BOD has set limits on the level of market risk that may be accepted. VaR limits are applied at the portfolio level and approved by the BOD based on, among other things, a business unit's capacity to manage price risks, the size and distribution of the aggregate exposure to price risks and the expected return relative to price risks. EWBC has a Management Action Trigger (MAT) to control actual losses (composed of realized and unrealized losses) for its Trading Book.



EWBC applies the VaR methodology to assess the market sensitive positions held for trading and to estimate the potential economic loss based on parameters and assumptions. VaR is a method used in measuring market risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon.

Objectives and Limitations of the VaR Methodology

EWBC utilizes the VaR model of Bloomberg Portfolio Analytics using one-year historical data set to assess possible changes in the market value of the fixed income trading portfolio. VaR for the US treasury futures is measured using Historical Simulation, while VaR for Foreign Exchange are calculated through the Parametric methodology- both instruments utilize an internally developed Excel spreadsheet.

The VaR models are designed to measure market risk in a normal market environment. The use of VaR has limitations because correlations and volatilities in market prices are based on historical data and VaR assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated.

VaR may also be under or overestimated due to assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, VaR only represents the risk of the portfolio at the close of each business day, and it does not account for any losses that may occur beyond the specified confidence level.

In practice, actual trading results will differ from the VaR calculation and the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR model, actual outcomes are monitored through hypothetical back testing to test the accuracy of the VaR model.

Stress testing provides a means of complementing VaR by simulating the potential loss impact on market risk positions from extreme market conditions, such as risk factor movements based on historical financial market stress conditions and scenarios adopted from the uniform stress testing framework of the BSP.

VaR Assumptions

The VaR that EWBC uses majority of its trading exposures is at 99.0% confidence level, while FX uses a confidence level of 90% with a premise that this potential loss estimate is not expected to be exceeded if the current market risk positions were to be held unchanged for a given holding period. Foreign exchange and US Treasury Futures VaR is measured using one (1) day holding period while fixed income VaR has a holding period of five (5) days. The use of a 99% confidence level means that within the set time horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days.

VaR is an integral part of the Parent Company's market risk management and encompasses investment positions held for trading. VaR exposures form part of the market risk monitoring which is reviewed daily against the limit approved by the BOD. The trading activities are controlled through the Market Risk Limit (MRL). RMD reports compliance to the MRL and trader's VaR limits daily. If the MRL or individual trader's limit is exceeded, any occurrence is promptly reported to the appropriate authorities such as the Treasurer, Chief Risk Officer and the Chief Executive Officer, and further to the BOD through the RMC.



The table below pertains to interest rate risk of EWBC's fixed income trading portfolio.

	2025	2024
	(In Thousands)	
Year-end VaR	₱413,132	₱389,382
Average VaR	495,150	360,218
Highest VaR	671,475	550,096
Lowest VaR	373,928	136,660

The year-end VaR for 2025 was based on EWBC's fixed income trading book valued at ₱12.75 billion with average yields of 6.02% and 5.46% for the peso and foreign currency denominated bonds, respectively. Its average maturity is 10 years for the peso portfolio and 24 years for the foreign currency portfolio.

The year-end VaR for 2024 was based on EWBC's fixed income trading book valued at ₱5.82 billion with average yields of 6.41% and 7.69% for the peso and foreign currency denominated bonds, respectively. Its average maturity is 12 years for the peso portfolio and 26 years for the foreign currency portfolio.

The market risk in EWBC's US Treasury Futures trading positions is shown in the table below:

	2025	2024
Year-end VaR	₱—	₱—
Average VaR	—	2,969
Highest VaR	—	32,249
Lowest VaR	—	—

Foreign Currency Risk

EWBC holds foreign currency denominated assets and liabilities, thus, fluctuations on the foreign exchange rate fluctuations can affect the financials and cash flows of EWBC. Managing the foreign exchange exposure is important for banks with exposures in foreign currencies. This includes purchase or sell of foreign currency to control the impact of changes in exchange rates on its financial position.

The table below pertains to foreign exchange risk of EWBC:

	2025	2024
Year-end VaR	₱1,293	₱31,095
Average VaR	22,808	24,128
Highest VaR	82,689	63,301
Lowest VaR	669	3,816

EWBC's foreign currency exposures emanate from its net open spot and forward FX purchase and sell transactions, and net foreign currency income accumulated over the years of its operations. Foreign currency-denominated deposits are generally used to fund EWBC's foreign currency-denominated loan and investment portfolio in the FCDU.



In the FCDU books, BSP requires banks to match the foreign currency assets with the foreign currency liabilities. Thus, banks are required to maintain at all times a 100.0% cover for their currency liabilities held through FCDU.

Total foreign currency position is monitored through the daily BSP FX position reports, which are subject to the overbought and oversold limits set by the BSP at 25.00% of qualifying capital or US\$150.00 million, whichever is lower.

The tables below summarize the exposure to foreign currencies of EWBC as of December 31, 2025 and 2024:

2025						
	USD	CNY	HKD	JPY	Other Currencies*	Total
Assets						
Gross FX assets	\$1,671,051	\$13,992	\$1,116	\$15,497	\$57,718	\$1,759,374
Contingent FX assets	265,050	8,322	–	29	2,920	276,321
	1,936,101	22,314	1,116	15,526	60,638	2,035,695
Liabilities						
Gross FX liabilities	1,648,812	21,434	1,557	15,811	63,485	1,751,099
Contingent FX liabilities	287,191	327	–	59	393	287,970
	1,936,003	21,761	1,557	15,870	63,878	2,039,069
Net exposure	\$98	\$553	(\$441)	(\$344)	(\$3,240)	(\$3,374)

*Other currencies include GBP, CAD, EUR, AUD, NZD and SGD.

2024						
	USD	CNY	HKD	JPY	Other Currencies*	Total
Assets						
Gross FX assets	\$1,760,574	\$15,615	\$453	\$10,524	\$102,480	\$1,889,646
Contingent FX assets	188,424	13,969	–	–	70,410	272,803
	1,948,998	29,584	453	10,524	172,890	2,162,449
Liabilities						
Gross FX liabilities	1,776,756	22,393	1,066	10,757	99,642	1,910,614
Contingent FX liabilities	207,778	9,566	1,030	1,300	72,730	292,404
	1,984,534	31,959	2,096	12,057	172,372	2,203,018
Net exposure	(\$35,536)	(\$2,375)	(\$1,643)	(\$1,533)	\$518	(\$40,571)

*Other currencies include GBP, HKD, AUD, CNY and NZD

EWBC's positions in other currencies are not individually significant.

The tables below indicate the sensitivity of the currencies which EWBC had significant exposures as of December 31, 2025 and 2024. The analysis calculates the impact of potential fluctuations of the foreign currency rate against Peso on the statements of income and equity, holding other variables constant. A negative amount reflects a potential net reduction while a positive amount reflects a net potential increase. EWBC manages FX exposures that both impact the statements of income and equity.



The impact of the significant foreign currency-denominated position (excluding FCDU USD-denominated position) on the Bank's statement of income that eventually goes to equity is shown in the table below:

Foreign currency appreciates (depreciates)	2025			
	USD	CNY	HKD	JPY
+10.00%	₱31,021	(₱3,250)	₱2,599	₱2,020
-10.00%	(₱31,021)	₱3,250	(₱2,599)	(₱2,020)

Foreign currency appreciates (depreciates)	2024			
	USD	CNY	HKD	JPY
+10.00%	(₱214,638)	(₱13,743)	(₱9,503)	(₱8,871)
-10.00%	₱214,638	₱13,743	₱9,503	₱8,871

Market Risk in the Banking Book

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is inherent in the EWBC's traditional banking activities that include taking deposits to invest or grant loans. The future cash flows from these activities are exposed to variations in interest rates, largely from mismatch in tenors and prices. EWBC employs two perspectives in measuring IRRBB a) through economic perspective with Change in Economic Value of Equity (EVE) and b) through earnings perspective with Earnings-at-Risk (EaR) and VaR specifically for fixed income instruments categorized as fair value through other comprehensive income (FVOCI). EVE is an economic measure or indicator of net cash flow calculated by taking the present value of all asset cash flows and subtracts the present value of all liability cash flows. It is the net present value (NPV) or prevailing value of EWBC's balance sheet cash flows. With the use of EVE, impact to equity may be determined by subjecting the Bank's balance sheet cashflows to shocked rates. Such measure can be used for asset-liability management and in determining the impact of interest rate risk relative to equity. Respectively, EaR measures the net interest income movement due to changes in prevailing interest rates and the balance sheet re-pricing profile of EWBC. The EaR limit is set as a function of EWBC's net interest margin (NIM). The EaR limit preserves the Group's capital and competitive position by restricting the impact of interest rate sensitivities to NIM within the corridor of above average and within the first quartile of its peer banks. In measuring EaR, EWBC's interest re-pricing assets and liabilities are matched by re-pricing (or maturity if non-repricing) buckets covering tenors within a one-year horizon, and corresponding gaps determined. If positive gap is noted, it implies that an increase in interest rates will positively affect the net interest income. Conversely, a negative gap implies that an increase in interest rates will negatively affect the net interest income. The estimated nominal impact to EWBC's earnings is derived by multiplying the volatility of benchmark yields for each tenor bucket to the repricing gap profile. The result is compared vs EaR limit to monitor the compliance with the limit and is reported to the RMC on a monthly basis. Additionally, EaR limit is reviewed and updated annually to ensure its continued relevance and alignment with EWBC's financial targets, strategies, and overall risk appetite.

To complement EaR and provide Management a more holistic view of market risk in the Banking Book, EWBC performs forward looking scenario, sensitivity analysis as well as stress testing activities to identify any vulnerabilities. EWBC employs three (3) methodologies in the conduct of stress testing a) economic/historical stress test which assumes a parallel shift in interest yield curves of 660 basis points for PHP-denominated assets and liabilities and 270 basis points for USD-denominated, b) uniform stress test, a regulatory-prescribed stress test, has three (3) scenarios with assumed parallel shift in interest rates for both PHP (from 300bps to 500bps) and USD (from 100bps



to 300bps), c) reverse stress test, which primarily measures the highest swing in interest rates that can potentially wipe out EWBC's target net income and net interest income.

EWBC employs the Value-at-Risk (VaR) measurement for debt instruments categorized as fair value through other comprehensive income (FVOCI) to manage the potential threat of market fluctuations to its earnings and capital. Fixed income instruments at FVOCI are assets whose objective falls under both to collect contractual cash flows and/or sell the assets. Since fair value changes from items booked at FVOCI directly impact the equity, it is prudent to monitor and manage said risk where capital stability is sustained. The VaR assumptions and methodologies for FVOCI exposures are same as those used for the Trading Book. Similar to the Trading Book, EWBC has a MAT to control actual losses (composed of realized and unrealized losses) for its Banking Book.

The following tables provide for the average interest rates by period of re-pricing (or by period of maturity if there is no re-pricing) of EWBC as of December 31, 2025 and 2024:

	2025				
	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>12 months
RBU					
<i>Financial assets:</i>					
Cash and cash equivalents*	2.93%	—	—	—	0.03%
Investment securities**	—	—	—	3.50%	5.42%
Loans and receivables	7.15%	8.60%	9.66%	11.22%	10.00%
<i>Financial liabilities:</i>					
Deposit liabilities	2.24%	4.17%	4.06%	4.12%	0.95%
Bills payable and SSURA	5.05%	—	—	—	—
FCDU					
<i>Financial assets:</i>					
Cash and cash equivalents*	5.05%	—	—	—	2.42%
Investment securities**	6.50%	—	—	3.84%	4.89%
Loans and receivables	6.00%	5.64%	1.12%	1.00%	0.00%
<i>Financial liabilities:</i>					
Deposit liabilities	2.92%	3.84%	3.58%	4.16%	0.15%
Bills payable and SSURA	1.84%	—	—	—	—
*Pertain to Due from BSP, Due from other banks, Interbank loans receivables and SPURA					
**Pertain to financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost					
	2024				
	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>12 months
RBU					
<i>Financial assets:</i>					
Cash and cash equivalents*	7.66%	—	—	—	—
Investment securities**	—	5.13%	4.85%	5.63%	5.04%
Loans and receivables	7.13%	7.86%	8.59%	7.64%	12.16%
<i>Financial liabilities:</i>					
Deposit liabilities	5.11%	5.18%	4.91%	4.15%	4.29%
Bills payable and SSURA	6.15%	—	—	—	—
FCDU					
<i>Financial assets:</i>					
Cash and cash equivalents*	2.60%	—	—	—	—
Investment securities**	0.40%	—	—	—	4.82%
Loans and receivables	6.72%	5.46%	5.32%	1.00%	—
<i>Financial liabilities:</i>					
Deposit liabilities	4.14%	3.94%	3.64%	2.74%	3.21%
Bills payable and SSURA	1.01%	1.30%	—	—	—
*Pertain to Due from BSP, Due from other banks, IBLR					
**Pertain to financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost					



The following tables provide for the interest rate re-pricing gap of EWBC as of December 31, 2025 and 2024:

	2025					Total
	Up to 1 month	> 1 to 3 months	> 3 to 6 months	>6 to 12 months	>12 months	
Financial assets						
Cash and cash equivalents	₱8,503,149	₱–	₱–	₱–	₱36,276,274	₱44,779,423
Investment securities	524,418	–	–	2,835,900	107,672,843	111,033,161
Loans and receivables	46,208,839	25,468,164	27,711,331	42,369,535	239,020,352	380,778,221
Contingent assets *	–	–	–	–	–	–
Total financial assets	55,236,406	25,468,164	27,711,331	45,205,435	382,969,469	536,590,805
Financial liabilities						
Deposit liabilities	74,254,865	25,667,976	4,949,242	2,241,653	330,726,399	437,840,135
Bills and acceptances payable	21,059,749	9,291,028	–	–	–	30,350,777
Contingent liabilities **	31,800	(70,227)	–	–	–	(38,427)
Total financial liabilities	95,346,414	34,888,777	4,949,242	2,241,653	330,726,399	468,152,485
Asset-liability gap	(₱40,110,008)	(₱9,420,613)	₱22,762,089	₱42,963,782	₱52,243,070	₱68,438,320

* Consist of Foreign Currency Swap and Forward Exchange

**Consist of Foreign Currency Swap and Forward Exchange

	2024					Total
	Up to 1 month	> 1 to 3 months	> 3 to 6 months	>6 to 12 months	>12 months	
Financial assets						
Cash and cash equivalents	₱7,013,554	₱–	₱–	₱–	₱–	₱7,013,554
Investment securities	4,830,404	5,569,485	824,006	1,665,225	98,027,064	110,916,184
Loans and receivables	26,711,397	22,938,042	18,388,301	26,341,170	149,909,224	244,288,134
Contingent assets *	–	–	–	–	–	–
Total financial assets	38,555,355	28,507,527	19,212,307	28,006,395	247,936,288	362,217,872
Financial liabilities						
Deposit liabilities	73,726,880	30,867,697	5,664,978	6,797,796	218,844	117,276,195
Bills and acceptances payable	34,833,199	3,161,135	2,071,792	–	–	40,066,126
Contingent liabilities **	16,360	4,353	–	–	–	20,713
Total financial liabilities	108,576,439	34,033,185	7,736,770	6,797,796	218,844	157,363,034
Asset-liability gap	(₱70,021,084)	(₱5,525,658)	₱11,475,537	₱21,208,599	₱247,717,444	₱204,854,838

* Consist of Foreign Currency Swap and Forward Exchange

**Consist of Foreign Currency Swap and Forward Exchange

EWBC also monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to EWBC's interest income and interest expenses of different parallel changes in the interest rate curve, assuming the parallel change only occurs once and the interest rate curve after the parallel change does not change again for the next twelve months.

The following table sets forth, for the period indicated, the impact of changes in interest rates on EWBC's non-trading net interest income. There is no other impact on EWBC's equity other than those already affecting the statements of income.

Change in basis points	2025	2024
+100.00 bps	(₱212,437)	(₱592,339)
–100.00 bps	212,437	592,339

Change in Economic Value of Equity (Δ EVE)

EWBC employs change in EVE Model to measure the net present value (NPV) or prevailing value of EWBC's balance sheet cash flows at different interest rate shocks and stress scenarios. Δ EVE is calculated by deducting the Base EVE, which is the NPV of the Bank's balance sheet cashflows using the effective yield/cost per contract, from Shock EVE, using the risk-free rate movement in addition to the same effective yield/cost used for the Base EVE. The scenario analysis includes the six Basel-prescribed scenarios.



EWBC's Δ EVE stood at ₱5.3 billion or 9.2% of CET1 as of December 31, 2025. Scenarios 2, 3, 4, and 6 resulted to positive shift in EVE while scenarios 1 and 5 resulted to decline in EVE with the largest impact occurring under Scenario 5, equivalent to around 27% of CET1. While the scenario highlights potential vulnerabilities, prevailing market conditions and interest rate projections do not indicate an imminent risk. On the contrary, the market is expecting rate cuts in the near-term albeit at slower pace than the forecasted. This anticipated easing of rates is expected to have a favorable impact on the EWBC's EVE.

Operational Risk

Operational risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal, compliance and reputational risks but excludes strategic risk.

Adopting the Basic Indicator Approach below, where computation is based on a percentage (in accordance with BSP-prescribed capital charge) of the average gross income for the past three years, it shows the total operational risk-weighted assets of EWBC (in thousands).

	2025	2024
EWBC	₱63,845	₱63,641

Other Risk Exposures

EWBC risk exposures other than credit, market, operational, and interest rate risk in the banking book, while existent, are deemed insignificant relative to the mentioned risks and if taken in isolation. Hence, management of these risks are instead collectively performed and made an integral part of EWBC's internal capital adequacy assessment process (ICAAP) and enterprise risk management initiatives.

Banking and Financial Services Capital Management

EWBC actively manages its capital to comply with regulatory requirements, enable growth targets, withstand plausible stress events and be at par with EWBC peers. The primary objective of EWBC's capital management is to ensure that it maintains adequate capital to cover risks inherent to its banking activities without prejudice to optimizing shareholders' value.

EWBC manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, EWBC may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of EWBC's compliance with regulatory requirements and ratios is based on the amount of EWBC's 'unimpaired capital' (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies. In addition, the risk-based Capital Adequacy Ratio (CAR) of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.0% for both solo basis (head office and branches) and consolidated basis (EW and subsidiaries engaged in financial allied undertakings). Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Effective January 1, 2014, EW complied with BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-



banks, in accordance with the Basel III standards. The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.0% and Tier 1 capital ratio of 7.5%. It also introduces a capital conservation buffer of 2.5% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.0% and these ratios shall be maintained at all times.

On June 27, 2014, the BSP issued Circular No. 839, *REST Limit for Real Estate Exposures* which provides the implementing guidelines on the prudential REST limit for universal, commercial, and thrift banks on their aggregate real estate exposures. EW should maintain CET1 and CAR levels at the regulatory prescribed minimums, on a solo and consolidated basis, even after the simulated results of a 25.0% write-off to EWBC's real estate exposures. These shall be complied with at all times.

The capital-to-risk assets ratio reported to the BSP as of December 31, 2025 and 2024 are shown in the table below:

	2025	2024
CET1 capital ratio	12.63%	12.66%
Tier 1 capital ratio	12.63%	12.66%
Total capital ratio	13.46%	13.44%

The composition of the qualifying capital of EWBC is shown below:

	2025	2024
	(In Millions)	
Qualifying capital		
Tier 1 capital	₱65,592	₱71,701
CET1 capital	65,592	71,701
Less: Required deductions	14,455	12,896
Net Tier 1 capital	51,137	58,805
Tier 2 capital	4,320	3,625
Total qualifying capital	₱55,457	₱62,430

The capital requirements of EWBC as of December 31, 2025 and 2024 are shown below:

	2025	2024
	(In Millions)	
Capital requirements:		
Credit risk	₱441,630	₱390,114
Market risk	13,788	10,619
Operational risk	63,845	63,641
Total capital requirements	₱519,263	₱464,374

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations.

Under Basel III, the regulatory Gross Qualifying Capital of EW consists of Tier 1 (core) and Tier 2 (supplementary) capital. Tier 1 comprises share capital, surplus (including current year profit), and other comprehensive income (cumulative foreign currency translation and net unrealized gains on financial assets at FVOCI). Required deductions include goodwill, intangible assets, investments in equity, deferred tax assets, defined benefit pension assets and unsecured credit accommodations to DOSRI and subsidiaries.

Tier 2 capital comprise of unsecured subordinated debts and general loan loss provision.



Risk-weighted assets are determined by assigning defined risk weights to the statement of financial position exposure and to the credit equivalent amounts of off-balance sheet exposures. Certain items are deducted from risk-weighted assets, such as the excess of general loan loss provision over the amount permitted to be included in Tier 2 capital. The risk weights vary from 0.0% to 150.0% depending on the type of exposure, with the risk weights of off-balance sheet exposures being subjected further to credit conversion factors. Below is a summary of risk weights and selected exposure types:

Risk weight	Exposure/Asset type*
0.0%	Cash on hand; claims collateralized by securities issued by the national government, BSP; loans covered by the Trade and Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20.0%	Cash and other cash items, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50.0%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75.0%	Direct loans of defined Small Medium Enterprise (SME) and microfinance loans portfolio; non-performing housing loans fully secured by first mortgage
100.0%	All other assets (e.g., real estate assets) excluding those deducted from capital (e.g., deferred income tax)
150.0%	All non-performing loans (except non-performing housing loans fully secured by first mortgage) and all non-performing debt securities

* Not all inclusive

With respect to off-balance sheet exposures, the exposure amount is multiplied by a credit conversion factor (CCF), ranging from 0.0% to 100.0%, to arrive at the credit equivalent amount, before the risk weight factor is multiplied to arrive at the risk-weighted exposure. Direct credit substitutes (e.g., guarantees) have a CCF of 100.0%, while items not involving credit risk has a CCF of 0.0%.

In the case of derivatives, the credit equivalent amount (against which the risk weight factor is multiplied to arrive at the risk-weighted exposure) is generally the sum of the current credit exposure or replacement cost (the positive fair value or zero if the fair value is negative or zero) and an estimate of the potential future credit exposure or add-on. The add-on ranges from 0.0% to 1.5% (interest rate-related) and from 1.0% to 7.5% (exchange rate-related), depending on the residual maturity of the contract. For credit-linked notes and similar instruments, the risk-weighted exposure is the higher of the exposure based on the risk weight of the issuer's collateral or the reference entity or entities.

The risk-weighted CAR is calculated by dividing the sum of its Tier 1 and Tier 2 capital, as defined under BSP regulations, by its risk-weighted assets. The risk-weighted assets, as defined by the BSP regulations, consist of all of the assets on the balance sheet at their respective book values, together with certain other off-balance sheet items, weighted by certain percentages depending on the risks associated with the type of assets.



The determination of compliance with regulatory requirements and ratios is based on the amount of EWBC's 'unimpaired capital' (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting practices which differ from PFRS in some respects.

EWBC has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

EWBC have complied with all externally imposed capital requirements throughout the year.

The Group (Excluding EWBC)

Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. The Group's policy is to manage its interest cost using a mix of fixed and floating interest-rate debts. The Group regularly monitors available loans in the market which is of cheaper interest rate and substitutes high-rate debts of the Group.

The Group's long-term debt with floating interest rate usually mature after three (3) months to five (5) years from the date of availment.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax and equity (through the impact on floating rate borrowings). There is no other impact on the Group's OCI other than those already affecting the profit and loss.

	Increase (Decrease) in Bps	Effect on Income Before Income Tax (In Thousands)
2025	+200	(P362,831)
	-200	362,831
2024	+200	(200,968)
	-200	200,968

The following table sets out the carrying amount by maturity of the Group's long-term debts that are exposed to interest rate risk:

	91-Day Treasury Bills plus 1% to 2% margin					
	Below 1 Year	1 to 2 Years	>2 to 3 Years	>3 to 4 Years	Over 4 Years	Total
	<i>(In Thousands)</i>					
As of December 31, 2025	P3,600,000	P1,160,000	P3,716,767	P8,875,000	P1,051,000	P18,402,767
As of December 31, 2024	P200,000	P—	P1,160,000	P50,100	P8,875,000	P10,285,100

Liquidity risk

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group uses internally generated funds and available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.



Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses.

The following table summarizes the maturity profile of the Group's financial assets and contract assets held to manage liquidity as of December 31, 2025 and 2024 based on contractual undiscounted payments:

	December 31, 2025						
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Financial assets at amortized cost							
Real Estate Operations							
Cash and cash equivalents	₱4,806,555	₱1,656,657	₱—	₱—	₱—	₱—	₱6,463,212
Contracts receivable	6,153,709	—	—	—	—	—	6,153,709
Receivable from tenants	2,154,359	—	—	—	—	—	2,154,359
Receivable from HOA	198,360	—	—	—	—	—	198,360
Receivable from government and other financial institutions	247,095	—	—	—	—	—	247,095
Receivable from buyers	8,492	—	—	—	—	—	8,492
Due from related parties	6,698	—	—	—	—	—	6,698
Others	2,361,693	—	—	—	—	—	2,361,693
	15,936,961	1,656,657	—	—	—	—	17,593,618
Hospitality Operations							
Cash in banks	829,962	695,190	—	—	—	—	1,525,152
Trade receivables	263,855	—	—	—	—	—	263,855
Others	53,161	—	—	—	—	—	53,161
	1,146,978	695,190	—	—	—	—	1,842,168
Power Operations							
Cash in banks	2,872,714	300,427	—	—	—	—	3,173,141
Trade receivables	3,079,124	—	—	—	—	—	3,079,124
Due from related parties	157,901	—	—	—	—	—	157,901
Others	45,876	—	—	—	—	—	45,876
	6,155,615	300,427	—	—	—	—	6,456,042
Sugar Operations							
Cash in banks	366,786	—	—	—	—	—	366,786
Trade receivables	38,921	—	—	—	—	—	38,921
Others	122,012	—	—	—	—	—	122,012
	527,719	—	—	—	—	—	527,719
Other Operations							
Cash and cash equivalents	1,870,108	1,699,324	—	—	—	—	3,569,432
Financial Assets at FVOCI							
Investment in shares of stocks:							
Quoted	—	—	—	1,353,867	—	—	1,353,867
Unquoted	—	—	—	29,911	—	—	29,911
	—	—	—	1,383,778	—	—	1,383,778
Total financial assets	25,637,381	4,351,598	—	1,383,778	—	—	31,372,757
Contract assets	—	1,605,560	4,816,678	822,758	286,137	2,706,105	10,237,238
	₱25,637,381	₱5,957,158	₱4,816,678	₱2,206,536	₱286,137	₱2,706,105	₱41,609,995

	December 31, 2024						
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Financial assets at amortized cost							
Real Estate Operations							
Cash and cash equivalents	₱4,112,151	₱1,640,076	₱—	₱—	₱—	₱—	₱5,752,227
Contracts receivable	4,717,975	—	—	—	—	—	4,717,975
Receivable from tenants	2,784,809	—	—	—	—	—	2,784,809
Receivable from HOA	115,837	—	—	—	—	—	115,837
Receivable from government and other financial institutions	557,958	—	—	—	—	—	557,958
Receivable from buyers	442,412	—	—	—	—	—	442,412
Due from related parties	6,496	—	—	—	—	—	6,496
Others	2,759,398	—	—	—	—	—	2,759,398
	15,497,036	1,640,076	—	—	—	—	17,137,112
Hospitality Operations							
Cash in banks	650,909	778,145	—	—	—	—	1,429,054
Trade receivables	295,761	—	—	—	—	—	295,761
Others	100,376	—	—	—	—	—	100,376
	1,047,046	778,145	—	—	—	—	1,825,191

(Forward)



December 31, 2024							
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Power Operations							
Cash in banks	P4,035,192	P520,358	P–	P–	P–	P–	P4,555,550
Trade receivables	4,746,371	–	–	–	–	–	4,746,371
Due from related parties	51	–	–	–	–	–	51
Others	42,661	–	–	–	–	–	42,661
	8,824,275	520,358	–	–	–	–	9,344,633
Sugar Operations							
Cash in banks	615,334	–	–	–	–	–	615,334
Trade receivables	37,131	–	–	–	–	–	37,131
Others	116,577	–	–	–	–	–	116,577
	769,042	–	–	–	–	–	769,042
Other Operations							
Cash and cash equivalents	2,341,978	9,246,204	–	–	–	–	11,588,182
Financial Assets at FVOCI							
Investment in shares of stocks:							
Quoted	–	–	–	946,710	–	–	946,710
Unquoted	–	–	–	47,060	–	–	47,060
	–	–	–	993,770	–	–	993,770
Total financial assets	28,479,377	12,184,783	–	993,770	–	–	41,657,930
Contract assets	–	1,446,495	4,339,484	1,846,887	463,962	339,786	8,436,614
	P28,479,377	P 13,631,278	P4,339,484	P2,840,657	P463,962	P339,786	P50,094,544

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted payments.

December 31, 2025							
	On demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Accounts payable, accrued expenses and other liabilities							
Accounts payable	P5,088,143	P 4,394,834	P6,668,573	P3,449,503	P 2,862,046	P–	P 22,463,099
Deposits from tenants	–	43,809	3,095,445	1,917,414	–	–	5,056,668
Retention fees payable	803,373	1,256,007	799,186	205,868	231,593	624,901	3,920,928
Accrued expenses	7,886,524	1,901,481	–	728,254	–	–	10,516,259
Accrued interest	1,237,930	448,323	–	–	–	–	1,686,253
Due to related parties	45,351	–	–	–	–	–	45,351
Deposits for registration	–	6,637	2,734,286	969,767	381,971	560,738	4,653,399
Asset retirement obligation	–	–	–	–	–	847,207	847,207
	15,061,321	8,051,091	13,297,490	7,270,806	3,475,610	2,032,846	49,189,164
Long-term and short-term debt	–	9,750,871	21,693,389	52,610,629	25,682,096	15,941,862	125,678,847
	P15,061,321	P17,801,962	P 34,990,879	P59,881,435	P29,157,706	P 17,974,708	P174,868,011

December 31, 2024							
	On demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Accounts payable, accrued expenses and other liabilities							
Accounts payable	P5,321,400	P4,596,309	P6,974,283	P4,417,816	P3,665,453	P–	P 24,975,261
Deposits from tenants	–	50,824	3,591,095	1,805,809	–	–	5,447,728
Retention fees payable	788,500	1,232,754	784,391	172,293	193,823	522,987	3,694,748
Accrued expenses	7,596,106	1,831,460	–	600,073	–	–	10,027,639
Accrued interest	1,456,050	527,316	–	–	–	–	1,983,366
Due to related parties	322,906	–	–	–	–	–	322,906
Deposits for registration	–	580	239,146	878,104	345,866	507,737	1,971,433
Asset retirement obligation	–	–	–	–	–	803,681	803,681
	15,484,962	8,239,243	11,588,915	7,874,095	4,205,142	1,834,405	49,226,762
Long-term and short-term debt	–	16,423,259	24,920,345	60,874,841	34,886,973	225,822	137,331,240
	P15,484,962	P24,662,502	P 36,509,260	P68,748,936	P 39,092,115	P2,060,227	P186,558,002



Credit risk

It is the Group's policy that buyers who wish to avail the in-house financing scheme are subject to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk.

The credit risk on installment contract receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2025 and 2024. For accounts receivable from tenants, the exposure is mitigated to the extent of the security deposit.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at amortized costs, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the comparative summary of maximum credit risk exposure on assets as of December 31:

	2025	2024
	(In Thousands)	
Loans and Receivables		
Real Estate Operations		
Cash and cash equivalents	₱6,463,212	₱5,752,227
Contracts receivable	6,153,709	4,717,975
Receivable from tenants	2,154,359	2,784,809
Receivable from buyers	8,492	442,412
Receivable from government and other financial institutions	247,095	557,958
Receivables from HOA	198,360	115,837
Due from related parties	6,698	6,496
Others	2,361,693	2,759,398
	17,593,618	17,137,112
Hospitality Operations		
Cash and cash equivalents	1,525,152	1,429,054
Trade receivables	263,855	295,761
Others	53,161	100,376
	1,842,168	1,825,191
Power and Utility Operations		
Cash and cash equivalents	3,173,141	4,555,550
Trade receivables	3,079,124	4,746,371
Due from related parties	157,901	51
	6,410,166	9,301,972
Sugar Operations		
Cash	366,786	615,334
Trade receivables	38,921	37,131
	405,707	652,465

(Forward)



	2025	2024
	(In Thousands)	
Other Operations		
Cash and cash equivalents	₱ 3,569,432	₱11,588,182
Financial assets at FVOCI		
Quoted equity securities	1,353,867	946,710
Unquoted equity securities	29,911	47,060
	1,383,778	993,770
	₱31,204,869	₱41,498,692

Meanwhile, the succeeding table shows the credit quality by class of asset for loan-related statement of financial position lines, based on the real estate operation's credit rating system as of December 31, 2025 and 2024, based on the Group's credit rating system.

	2025			
	Neither Past Due nor Impaired		Past Due or	
	High Grade	Standard Grade	Individually Impaired	Total
	(In Thousands)			
Cash and cash equivalents	₱6,463,212	₱ –	₱ –	₱6,463,212
Contract assets	10,237,238	–	–	10,237,238
Loans and receivables		–	–	
Contracts receivable	6,153,709	–	–	6,153,709
Receivables from tenants	2,154,359	–	–	2,154,359
Receivables from homeowners' association	8,492	–	–	8,492
Receivable from government and other financial institutions	247,095	–	–	247,095
Receivables from buyers	198,360	–	–	198,360
Due from related parties	6,698	–	–	6,698
Others	2,361,693	–	–	2,361,693
	₱27,830,856	₱ –	₱ –	₱27,830,856

	2024			
	Neither Past Due nor Impaired		Past Due or	
	High Grade	Standard Grade	Individually Impaired	Total
	(In Thousands)			
Cash and cash equivalents	₱5,752,227	₱ –	₱ –	₱5,752,227
Contract assets	8,436,614	–	–	8,436,614
Loans and receivables		–	–	
Contracts receivable	4,717,975	–	–	4,717,975
Receivables from tenants	2,784,809	–	–	2,784,809
Receivables from homeowners' association	442,412	–	–	442,412
Receivable from government and other financial institutions	557,958	–	–	557,958
Receivables from buyers	115,837	–	–	115,837
Due from related parties	6,496	–	–	6,496
Others	2,759,398	–	–	2,759,398
	₱25,573,726	₱ –	₱ –	₱25,573,726



The analysis of financial assets as of December 31, 2025 and 2024 is as follows:

[illegible]

The Group's high-grade receivables pertain to receivables from related parties and third parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Group has not noted any extraordinary exposure which calls for a substandard grade classification.

For Power and utility operations, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than 90 days and are not subject to enforcement activity. The resulting allowance for ECL of ₱1,475.1 million and ₱629.8 million as of December 31, 2025 and 2024, respectively, pertains to receivables aged over 90 days.

Real Estate Operation Capital Management

Real estate operation's primary objective is to maintain its current sound financial condition and strong debt service capabilities as well as to continuously implement a prudent financial management program.

Real estate operation manage their capital structure and makes adjustments to it, in light of changes in economic conditions. It closely monitors its capital and cash positions and carefully manages its capital expenditures such as land acquisitions, constructions and project developments and fixed charges. Real estate operation prefers to enter into joint venture arrangements with landowners to develop land rather than purchasing land outright, which reduces its capital requirements and can increase returns. Furthermore, real estate operation may also, from time to time, seek other sources of



funding, which may include debt or equity issues depending on its financing needs and market conditions.

Real estate operation continues to fund its project developments using medium to long-term financing, which can help mitigate any negative effects of a sudden downturn in the Philippine economy or a sudden rise in interest rates.

Refer to Notes 5 and 24 for the discussion on externally imposed capital requirements on the Group's Real Estate operations.

Hospitality Operations Capital Management

Hospitality operation's primary objective is to improve the profitability and continuously implement a prudent financial management program. Capital and cash positions are closely monitored and expenditures and disbursements are carefully managed. Hospitality operation considers total equity as capital.

Power and Utility Operation

Power operation's primary objective is to effectively manage its cash flow position. Cash flows are managed by ensuring that billings are prepared and delivered promptly and by working closely with electric cooperatives to ensure timely collection of receivables.

Sugar Operation Capital Management

Sugar operation manages its capital structure and makes adjustments to it in light of changes in economic conditions. It closely monitors its capital and cash positions and carefully manages its expenditures and disbursements. Furthermore, sugar operation also, from time to time seeks other sources of funding, which may include internal or external borrowings depending on its financing needs and market conditions.

Sugar operation monitors capital using a gearing ratio which is total debt divided by total equity. Debt includes accounts payable, accrued expenses and other liabilities, income tax payable, due to related parties, short-term and long-term debt. The policy is to keep the gearing ratio not to exceed 2.0:1.0.

Derivative Financial Instruments

EWBC's freestanding derivative financial instruments, which mainly consist of foreign currency forward contracts and swaps, and interest rate swaps, are transactions not designated as hedges.

The table below sets out information about EWBC's derivative financial instruments and the related fair value as of December 31, 2025 and 2024:

<i>Foreign Currency Forward Contracts and Swaps</i>	2025	2024
	(In Thousands)	
Notional amount	\$545,373	\$580,255
Derivative assets (Note 12)	₱59,027	₱82,739
Derivative liabilities (Note 23)	51,988	58,832
 <i>Interest Rate Swaps</i>	 2025	 2024
	(In Thousands)	
Notional amount	\$1,600,000	\$200,000
Derivative assets (Note 12)	₱35,919	₱393
Derivative liabilities (Note 23)	36,057	398



The net movements in fair value changes of all derivative instruments are as follows:

	2025	2024
Derivative liabilities - net at beginning of year	₱23,903	(₱81,271)
Fair value of settled instruments	(24,041)	105,175
Derivative assets (liabilities) - net at end of year	(₱138)	₱23,904

Fair value changes of foreign currency forwards and swaps are recognized as ‘foreign exchange gain’ in the statements of income while fair value changes of interest rate swaps and futures are recognized as part of ‘trading and securities gain (loss)’ in the statements of income.

38. Offsetting of Financial Assets and Financial Liabilities

The Group is required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments subject to enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

Financial Assets

December 31, 2025						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
			(In Thousands)			
SPURA	₱–	₱–	₱–	₱–	₱–	₱–
Derivative assets (Note 12)	94,946	–	94,946	–	–	94,946
	₱94,946	₱–	₱94,946	₱–	₱–	₱94,946
December 31, 2024						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
			(In Thousands)			
SPURA	₱–	₱–	₱–	₱–	₱–	₱–
Derivative assets (Note 12)	83,133	–	83,133	–	–	83,133
	₱83,133	₱–	₱83,133	₱–	₱–	₱83,133

Financial Liabilities

December 31, 2025						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in the consolidated statement of financial position [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
			[a]	[b]	[c]	
(In Thousands)						
Derivative liabilities (Note 23)	₱88,045	₱—	₱88,045	₱—	₱—	
Bills payable	28,517,615	—	28,517,615	—	—	
Total	₱28,605,660	₱—	₱28,605,660	₱—	₱—	



December 31, 2024						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in the consolidated statement of financial position [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
(In Thousands)						
Derivative liabilities (Note 23)	P59,230	P-	P59,230	P-	P-	P59,230
Bills payable	38,215,086	-	38,215,086	-	-	38,215,086
	P38,274,316	P-	P38,274,316	P-	P-	P38,274,316

The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. This includes amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

39. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities for the years ended December 31 follows:

2025					
	January 1	Cashflows	Foreign Exchange Movement	Noncash Movement	December 31
(In Thousands)					
Long-term and short-term debt	P137,331,240	(P11,289,765)	(P362,629)	P-	P125,678,847
Bills and acceptance payable	40,117,180	(9,766,402)	-	-	30,350,778
Lease liabilities	9,042,566	(2,446,974)	-	1,924,077	8,519,669
Accrued interest	1,983,366	(9,008,440)	-	8,711,327	1,686,253
Dividends payable	-	(2,656,059)	-	2,656,059	-
Due to related parties	322,906	(277,555)	-	-	45,351
Preferred shares	-	7,929,871	-	-	7,929,871
	P188,797,258	(P27,270,445)	(P362,628)	P13,046,584	P174,210,769

2024					
	January 1	Cashflows	Foreign Exchange Movement	Noncash Movement	December 31
(In Thousands)					
Long-term and short-term debt	P132,371,944	P4,373,929	P718,000	(P132,633)	P137,331,240
Bills and acceptance payable	15,403,706	24,713,474	-	-	40,117,180
Lease liabilities	8,454,337	(1,739,243)	-	2,327,472	9,042,566
Accrued interest	1,793,825	(8,329,002)	-	8,518,543	1,983,366
Dividends payable	-	(2,217,872)	-	2,217,872	-
Due to related parties	856,199	(533,293)	-	-	322,906
	P158,880,011	P16,267,993	P718,000	P12,931,254	P188,797,258

Noncash movements include the effects of declaration of dividends, amortization of debt issuance costs and accretion of lease liabilities (see Notes 24, 25 and 32).



The Group's noncash transactions affecting investing activities are as follows:

- Transfers from loans and receivables to investment properties as a result of foreclosures amounted to ₱557.1 million, ₱273.9 million and ₱274.5 million in 2025, 2024 and 2023, respectively, for EWBC (see Note 16).
- Transfers from loans and receivables to other repossessed assets as a result of foreclosures amounted to ₱5.3 billion, ₱6.3 billion and ₱4.0 billion in 2025, 2024 and 2023 respectively, for EWBC. Amounts mentioned are exclusive of loss on asset foreclosure and *dacion* transactions amounting to ₱1.0 billion, ₱1.2 billion and ₱614.5 million in 2025, 2024 and 2023, respectively.
- Land and land developments previously under real estate inventories were reclassified to investment properties amounting to ₱33.7 million in 2025 (₱1,589.8 million) in 2024 (see Notes 14 and 16).
- Reclassification from investment properties to real estate inventories amounting to ₱92.7 million ₱43.0 million in 2025 and 2024, respectively (see Notes 14 and 16).
- Purchases of investment properties in 2025 and 2024 which remain unpaid amounted to ₱2,721.4 million and ₱3,082.1 million, respectively (see Note 16).

40. Maturity Analysis of Assets and Liabilities

The following tables show an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one (1) year and beyond one (1) year from the statement of financial position date:

	2025			2024		
	Less than 12 months*	Over 12 months	Total	Less than 12 months**	Over 12 months	Total
(In Thousands)						
Assets						
Cash and other cash items	₱49,549,812	₱—	₱49,549,812	₱52,317,373	₱—	₱52,317,373
Loans and receivables - net						
Real estate operations	11,130,406	—	11,130,406	11,384,885	—	11,384,885
Hospitality operations	317,016	—	317,016	396,137	—	396,137
Banking and financial services	153,395,946	218,149,006	371,544,952	123,646,621	199,812,730	323,459,351
Power and utility operations	3,282,901	—	3,282,901	4,789,083	—	4,789,083
Sugar operations	160,933	—	160,933	153,708	—	153,708
Financial assets at FVPL	13,388,007	—	13,388,007	9,174,275	—	9,174,275
Financial assets at FVOCI	27,746,915	—	27,746,915	29,004,906	978,703	29,983,609
Investment securities at amortized cost	85,815	84,565,775	84,651,590	246,090	81,676,660	81,922,750
Contract assets	6,422,237	3,815,001	10,237,238	5,783,500	2,653,114	8,436,614
Real estate inventories	85,132,062	—	85,132,062	78,900,316	—	78,900,316
Coal, spare parts and other inventories	2,859,573	—	2,859,573	2,397,054	—	2,397,054
Investment properties - net	—	104,864,869	104,864,869	—	103,641,040	103,641,040
Property and equipment - net	—	58,680,338	58,680,338	—	51,890,809	51,890,809
Investment in joint ventures	—	2,136,118	2,136,118	—	2,010,839	2,010,839
Deferred tax assets - net	—	6,834,266	6,834,266	—	5,791,642	5,791,642
Goodwill	—	10,381,152	10,381,152	—	10,381,152	10,381,152
Other assets	18,774,144	10,415,570	29,189,714	26,847,272	9,802,339	36,649,611
	₱372,245,767	₱499,842,095	₱872,087,862	₱345,041,220	₱468,639,028	₱813,680,248
Liabilities						
Deposit liabilities	₱427,061,455	₱451,349	₱427,512,804	₱372,023,480	₱519,316	₱372,542,796
Bills and acceptances payable	30,350,778	—	30,350,778	40,117,180	—	40,117,180
Accounts payable and accrued expenses	41,109,063	14,210,691	55,319,754	39,251,233	14,650,147	53,901,380
Contract liabilities	1,441,709	64,655	1,506,364	2,427,964	728,461	3,156,425
Long-term and short-term debt	41,451,409	84,227,438	125,678,847	47,952,041	89,379,199	137,331,240
Income tax payable	1,155,220	—	1,155,220	439,461	—	439,461
Retirement liabilities	—	1,909,158	1,909,158	—	1,660,444	1,660,444
Lease liabilities	1,207,090	7,312,579	8,519,669	818,093	8,224,473	9,042,566
Deferred tax liabilities - net	—	8,460,487	8,460,487	—	9,108,250	9,108,250
	₱543,776,724	₱116,636,357	₱660,413,081	₱503,029,452	₱124,270,290	₱627,299,742

*Includes current assets and current liabilities of EW amounting to ₱230,315,840 and ₱478,177,046 as of December 31, 2025, respectively.

**Includes current assets and current liabilities of EW amounting to ₱192,757,037 and ₱431,030,282 as of December 31, 2024, respectively.



41. Registrations with PEZA, CSEZ and CFZ

On July 3, 2019, FBCI was registered with PEZA as an ECOZONE developer/operator enterprise of New Clark City Phase I. As a registered enterprise, FBCI is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On February 20, 2017, May 31, 2016, and April 22, 2016, respectively, FCMI, MCI and FMI were registered and granted a Permit-to-Operate as a Clark Freeport enterprises in Clark-Development Corporation (CDC) and Clark Freeport Zone (CFZ). As a registered enterprise, FMI is entitled to a special tax rate of 5% of gross income and tax exemption and duty-free importation in certain purchases directly related to its business activities as approved CDC.

On February 13, 2002, FLI, FAC and FILRT were registered with Philippine Economic Zone Authority (PEZA) pursuant to the provisions of RA No. 7916 as the Ecozone Developer/Operator to lease, sell, assign, mortgage, transfer or otherwise encumber the area designated as a Special Economic Zone (Ecozone). The same shall be known as Filinvest Technology Park-Calamba.

Under the registration, FLI shall enjoy 5% preferential tax privilege on income generated from the Ecozone in lieu of the regular income tax rate.

On June 11, 2001, FAC was registered with PEZA as the developer/operator of PBCom Tower not entitled to any incentives. However, IT enterprises which shall locate in PBCom Tower shall be entitled to tax incentives pursuant to RA No. 7916.

On June 6, 2000, FILRT was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, it is also entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On December 15, 2015, PDDC was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, PDDC is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

FILRT, PDDC, FBCI are also entitled to zero percent (0%) value-added tax for sales made to ECOZONE enterprises.

42. Registrations with the Philippine Board of Investments (BOI)

As a registered enterprise, certain entities within the Group are entitled to certain tax and nontax incentives, subject to certain conditions.

The Group registered New Leaf Phases 1A and 1B as New Developers of Low-Cost Mass Housing Projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226), and its validity ended on March 19, 2023. No outstanding projects are registered with the BOI as of December 31, 2025.



Under Certificate of Registration No. 2018-261 dated December 12, 2018, DSRI was registered under Board of Investment (BOI) as New Operator of Tourist Accommodation Facility under the Modernization Program on a Non-Pioneer status under Omnibus Investment Code. Under the term of its non-Pioneer status with the BOI, DSRI is entitled to an Income Tax Holiday (ITH) for a period of four years from January 2022 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On June 18, 2025, FMPC is also registered with the BOI as a New Operator of Unit 4 under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Act or Republic Act (R.A.) No. 11534, Tier 1 Energy of the 2022 Strategic Investment Priority Plan (SIPP) – Domestic Market Enterprise category. Among the incentives given are 6 years ITH, 5 years enhanced deductions after ITH, and 12 years duty exemption on importation of capital equipment, raw materials and equipment.

On June 7, 2013, BSI was registered with BOI as New Operator of Tourist Accommodation Facility under Modernization Program on a Non-Pioneer status (Certificate of Registration No. 2013-123) under Omnibus Investment Code. Under the terms of the Non-Pioneer status with BOI, BSI is entitled to an income tax holiday (ITH) for a period of 4 years from December 2017 or actual start of commercial operations, whichever is earlier than the date of registration. On September 2, 2014, BSI's registration was upgraded from Non-Pioneer status to Pioneer status in which ITH entitled period was increased from 4 years to 6 years starting December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On December 22, 2017, BSI filed a letter request to BOI to move the start date of its commercial operations to August 1, 2018. On March 1, 2019, the BOI has approved BSI's request to extend its ITH entitlement period from November 30, 2023 to May 2024 or for a period of six (6) months corresponding to the number of months that the Island of Boracay was declared under state of Calamity.

On July 20, 2023, the BOI has approved BSI's request to defer its ITH entitlement period to January 1, 2023 to May 31, 2027 or for a period of four (4) years and six (6) months due to the impact of the COVID 19 pandemic to its operations. As a result, BSI amended its income tax filings with the BIR to consider non-ITH period for the years ended December 31, 2020 to 2022. Additional income tax paid representing MCIT for taxable year 2022 amounting to ₱1.32 million is presented as part of current income tax for the year ended December 31, 2023.

43. Subsequent Events

Declaration of the First Quarter 2026 Cash Dividends on Outstanding Filinvest Development Corporation Series A and Series B Preferred Shares

On January 9, 2026, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱16.563 and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of January 23, 2026 and paid on February 8, 2026.

Proposed offering of the Third Tranche of the Bond

On February 16, 2026, FLI's BOD approved the issuance of the third tranche of its shelf registration with the SEC under MSRD Order No. 64, Series of 2023, of up to ₱11.6 billion worth of fixed-rate peso denominated bonds with a maturity period of up to 10 years.



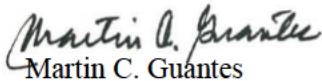
INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

We have audited the accompanying financial statements of Filinvest Development Corporation (the Parent 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 the Revised Securities Regulation Code Rule 68, we are stating that the above Company has 3,932 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026

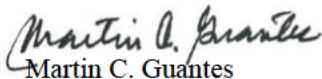


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Development Corporation (the Parent Company) and its subsidiaries (collectively referred to as the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock
- Schedule H: Bond Issuances
- Schedule I: Preferred Stock

ANNEX A

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES **ANNEX 68-D - RECONCILIATION OF RETAINED EARNINGS AVAILABLE** **FOR DIVIDEND DECLARATION** **DECEMBER 31, 2025** (Amounts in Thousand Pesos)

Unappropriated Retained Earnings, beginning of reporting period		₱11,714,477
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	—	
Effect of restatements	—	
Others	—	
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,352,503	
Retained earnings appropriated during the reporting period	—	
Effect of restatements	—	
Subtotals	—	1,352,503
Unappropriated Retained Earnings, as adjusted		10,361,974
Add/Less: Net income (loss) for the current year		1,133,820
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Sub-total		—
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		—

(Forward)

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱—	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—	
Sub-total		—
Adjusted Net Income/Loss		1,133,820

Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—	
Sub-total		—

Add/Less: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others	—	
Sub-total		—

Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Others	—	
Sub-total	—	—

Total Retained Earnings, end of reporting period available for dividend	₱11,495,794
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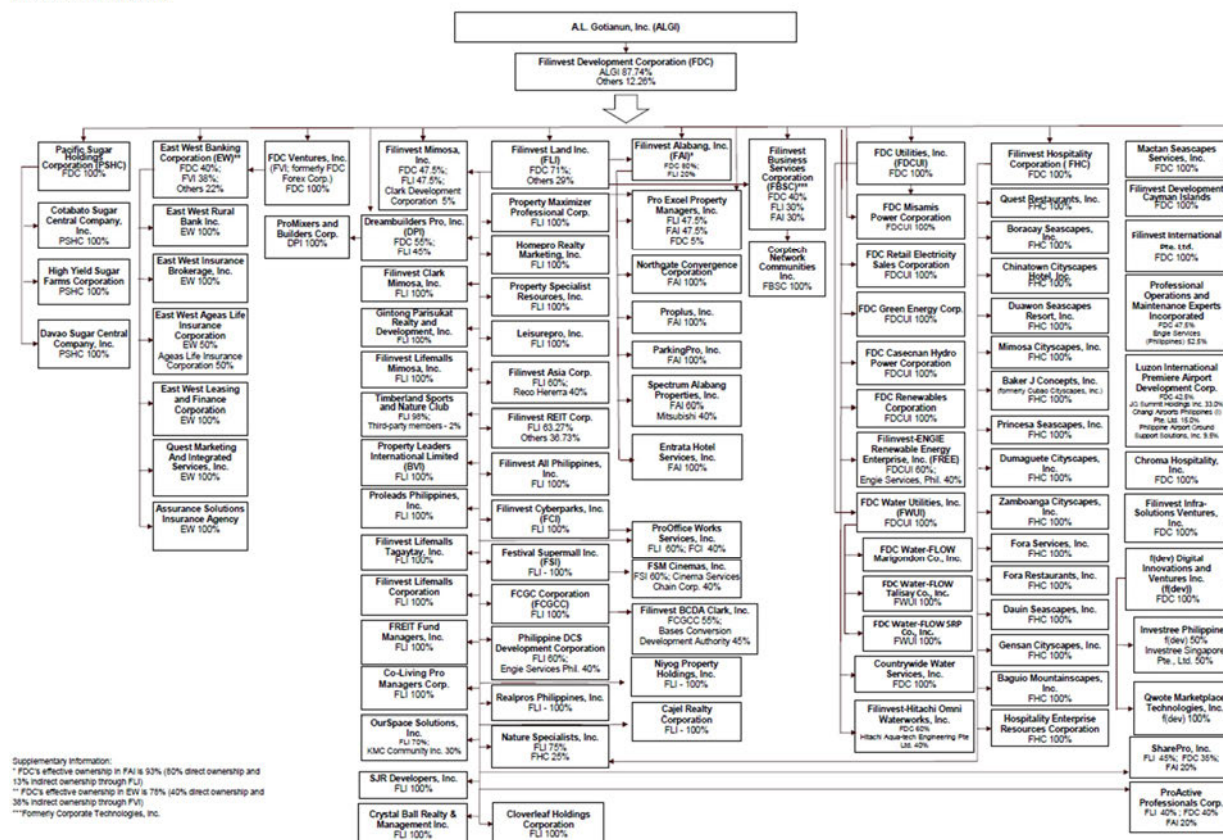
FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS
ULTIMATE PARENT COMPANY, CO-SUBSIDIARIES AND ASSOCIATE
DECEMBER 31, 2025**

A.L. GOTIANUN, INC.

MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(As of December 31, 2025)



Supplementary Information:

* PDC's effective ownership in FAI is 93% (80% direct ownership and

FBC's effective ownership in FTA is 50% (50% direct ownership and 13% indirect ownership through FUI)

*** FOC's effective ownership in EW is 76% (40% direct ownership and 36% indirect ownership through F&B).

***Formerly Comcor Technologies, Inc.

ANNEX C

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

Schedule A: SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

DECEMBER 31, 2025

Below is the schedule of financial assets in equity securities of the Group as of December 31, 2025:

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
(In Thousands)				
Financial Assets at Fair Value Through Profit or Loss				
Debt Securities				
Fixed Rate Treasury Notes (FXTN)	7,727,581	₱7,980,739	₱7,980,739	₱543,609
Petroleos Mexicanos (PEMEX)	587,900	527,681	527,681	48,122
Treasury Bills	213,781	208,958	208,958	-
Retail Treasury Bond (RTB)	1,942,848	1,953,672	1,953,672	51,575
Republic of the Philippines (ROP)	2,469,180	2,611,798	2,611,798	165,936
	12,941,290	13,282,848	13,282,848	809,242
Equity Securities				
LGU Guarantee Corporation	10,213	10,213	10,213	-
Citibank Manila	73	-	-	-
	10,286	10,213	10,213	-
Derivative assets				
With positive fair value	94,946	94,946	94,946	-
	13,046,522	₱13,388,007	₱13,388,007	₱809,242
Financial Assets at Fair Value Through Other Comprehensive Income				
Debt Securities				
Government Securities				
ROP	9,347,610	₱9,294,806	₱9,294,806	₱702,417
FXTN	8,270,726	8,287,846	8,287,846	498,330
RTB	550,000	551,001	551,001	30,748
RDB	523,895	511,348	511,348	7,047
PEMEX	470,320	422,145	422,145	39,376
MEXICAN GLOBAL BONDS (MEX)	293,950	283,876	283,876	18,463
	19,456,501	19,351,022	19,351,022	1,296,381
Private Bonds				
Ayala Corp.	1,698,855	1,428,483	1,428,483	78,736
Aboitiz Equity Ventures	1,469,750	1,452,378	1,452,378	53,265
First Pacific	1,175,800	1,173,801	1,173,801	36,652
JG Summit	1,175,800	1,161,432	1,161,432	38,304
Manila Water	941,816	934,121	934,121	34,132
Jollibee Food Corp.	587,312	592,892	592,892	24,617
Rizal Commercial Banking Corp	-	-	-	21,635
International Container Terminal Services, Inc.	268,788	269,008	269,008	11,127
	7,318,121	7,012,115	7,012,115	298,468
Quoted				
The Palms Country Club	255	943,708	943,708	-
Manila Golf	2	310,000	310,000	-
Manila Polo Club	1	50,000	50,000	-
Caliraya Golf	18,401,035	15,491	15,491	-
Empire East Land Holdings	-	(423)	(423)	-
<i>(Forward)</i>				
Philippine Dealing System Holdings	3,366,821	₱3,367	₱3,367	₱-

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
(In Thousands)				
Corp. (PDSHC)				
Sta Elena Properties Inc.	2	42,000	42,000	—
Philippine Long Distance Telephone Company	26,100	261	261	—
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	—
Riviera Golf	1	1,800	1,800	—
	22,947,911	1,372,401	1,372,401	—
Unquoted				
Cebu Country Club	1	6,017	6,017	—
The Palms Country Club	1,000	3,060	3,060	—
Alabang Country Club	1	2,200	2,200	—
Philippine Long Distance Telephone Company	59,900	100	100	—
	60,902	11,377	11,377	—
	49,783,435	₱27,746,915	₱27,746,915	₱1,594,849
Investment Securities at Amortized Cost				
ROP	49,794,483	₱48,374,390	₱45,487,207	₱2,201,602
FXTN	21,762,993	21,265,952	20,371,550	1,163,997
Republic of Indonesia	9,174,180	9,993,080	9,713,971	490,135
PLNJ	2,013,558	1,819,491	1,931,667	115,372
PEMEX	611,416	589,410	478,696	16,656
RTB	245,654	258,104	244,978	15,090
RP GPN	337,089	315,997	335,195	18,092
	83,939,373	82,616,424	78,563,264	4,020,944
Fixed Rate Treasury Notes (FXTN) - EWRB	1,881,646	2,038,709	2,038,708	44,174
Allowance for probable losses	—	(3,543)	—	—
	85,821,019	₱84,651,590	₱80,601,972	₱4,065,118

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule B: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE
FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025**

There are no advances to employees with balances above ₱1.0 million as of December 31, 2025.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

Schedule C: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2025

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2025 (amounts in thousands):

	Volume of Transactions		Receivable (Payable)	Terms
Filinvest REIT Corp. (FILRT)	Sale of lot	(P-)	P560	Noninterest-bearing
Pacific Sugar Holdings Corporation (PSHC)	Share in expenses	206,479	211,897	Noninterest-bearing and to be settled within 1 year
	Share in expenses			
	Dividend income			
FDC Misamis Power Corporation (FDC Misamis)	Operational advances	34	135	Noninterest-bearing and to be settled within 1 year
	Interest on advances			
	Share in expenses			
Filinvest Business Services Corporation (FBSC)	Operational advances	(1,369)	348,628	Noninterest-bearing and to be settled within 1 year except for loan**
	Interest on advances			
	Share in expenses			
	Operational advances			Noninterest-bearing and to be settled within 1 year except for loan**
SharePro, Inc. (SPI)	Interest on advances	154,877	313,337	Noninterest-bearing and to be settled within 1 year except for loan**
Countrywide Water Services Inc. (CWSI)	Share in expenses			Noninterest-bearing and to be settled within 1 year
	Interest on advances	954	13,006	
	Share in expenses			
Mactan Seascapes Services, Inc. (MSSI)	Maintenance dues			Noninterest-bearing and to be settled within 1 year
	Rental income	(15,494)	10,687	Noninterest-bearing and to be settled within 1 year
	Share in expenses			Noninterest-bearing and to be settled within 1 year
Filinvest Land, Inc. (FLI)	Dividend income	(14,678)	21,433	Noninterest-bearing and to be settled within 1 year
FDC Utilities, Inc. (FDCUI)	Share in expenses	538	1,027	Noninterest-bearing and to be settled within 1 year
	Rental income			
	Rental deposit			Noninterest-bearing and to be settled within 1 year
Boracay Seascapes, Inc. (BSI)	Share in expenses	-	411	Noninterest-bearing and to be settled within 1 year
Filinvest Hospitality Corporation (FHC)	Share in expenses	118,970	137,510	Noninterest-bearing and to be settled within 1 year
	Rental income			Noninterest-bearing and to be settled within 1 year
FDC Water Utilities, Inc. (FWUI)	Rental deposit	(46,877)	-	Noninterest-bearing and to be settled within 1 year
f(dev) Digital Innovations and Ventures, Inc. (FDEV)	Share in expenses	(10,850)	-	Noninterest-bearing and to be settled within 1 year
				Noninterest-bearing and to be settled within 1 year
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	67	426	Noninterest-bearing and to be settled within 1 year
Proexcel Property Managers, Inc. (PPMI)	Share in expenses	1,775	1,775	Noninterest-bearing and to be settled within 1 year
Dreambuilders Properties, Inc. (DPI)	Share in expenses	284	344	Noninterest-bearing and to be settled within 1 year
Property Maximizer Professional Corp. (Promax)	Commission	1,133	244	Noninterest-bearing and to be settled within 1 year
Duawon Seascapes Resort, Inc. (DSRI)	Rental income	(200)	-	Noninterest-bearing and to be settled within 1 year
	Share in expenses			Noninterest-bearing and to be settled within 1 year
Filinvest Alabang, Inc. (FAI)	Purchase of shares	(706)	16,182	
	Share in expenses			
	Rental expense			
East West Banking Corporation (EW)	Bank loan			Noninterest-bearing and to be settled within 1 year
	Interest on bank loan	4,802,372	8,429	
			P1,086,031	

** P422.2 million aggregate operational advances to FBSC and SPI subject to fixed interest rates ranging from 6.5% to 8.0% per annum due within 1 year .

	Balances at Beginning of Year	Additions/ Reclassifications	Collections/ Reclassification	Balances at End of Year
FILRT	₱560	₱-	₱-	₱560
PSHC	5,418	206,479	-	211,897
FDC Misamis	101	34	-	135
FBSC	349,997	-	(1,369)	348,628
SPI	158,460	154,877	-	313,337
CWSI	12,052	954	-	13,006
MSSI	26,181	-	(15,494)	10,687
FLI	36,111	-	(14,678)	21,433
FDCUI	489	538	-	1,027
BSI	411	-	-	411
FHC	18,540	118,970	-	137,510
FWUI	46,877	-	(46,877)	-
FDEV	10,850	-	(10,850)	-
FCI	359	67	-	426
PPMI	-	1,775	-	1,775
DPI	60	284	-	344
Promax	(889)	1,133	-	244
DSRI	200	-	(200)	-
FAI	16,888	-	(706)	16,182
EW	(4,793,943)	4,802,372	-	8,429
	(₱4,111,278)	₱5,287,483	(₱90,174)	₱1,086,031

The intercompany transactions between FDC and the subsidiaries pertain to share in expenses, rental charges, dividend income, sale of lots, purchase of shares, operational loan and interest charges. There were no amounts written off during the year and all amounts are expected to be settled within the year except for ₱422.2 million aggregate operational advances to FBSC and SPI subject to fixed interest rates ranging from 6.5% to 8.0% per annum due within 1 year.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

Schedule D: SUPPLEMENTARY SCHEDULE OF LONG-TERM AND SHORT-TERM DEBT DECEMBER 31, 2025

Below is the schedule of long-term and short-term debt of the Group:

TITLE OF ISSUE AND TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT	NON- CURRENT	TOTAL	INTEREST RATE	MATURITY DATE
PARENT COMPANY:						
Bank loans - Philippine Peso	Various	₱6,824,668	₱3,852,967	₱10,677,635	With fixed interest 4.5% to 6.6% per annum	With varying maturity dates up to 2030
Bonds due 2026	₱8,800,000	9,968,309	—	9,968,309	6.3%	August 7, 2026
		16,792,977	3,852,967	20,645,944		
SUBSIDIARIES:						
Bank loans - Philippine Peso	Various	22,906,170	49,209,404	72,115,574	Various fixed / floating rates	With varying maturity dates up to 2034
Philippine peso:						
Bonds due 2026	1,764,600	1,752,262	—	1,752,262	4.2%	May 18, 2026
Bonds due 2027	11,430,800	—	11,363,759	11,363,759	7.0%	June 1, 2027
Bonds due 2027	2,975,000	—	2,958,434	2,958,434	6.4%	June 23, 2027
Bonds due 2027	5,000,000	—	4,970,300	4,970,300	5.3%	December 21, 2027
Bonds due 2035	2,553,200	—	2,524,509	2,524,509	6.8%	March 12, 2035
Bonds due 2032	2,661,260	—	2,632,418	2,632,418	6.7%	March 12, 2032
Bonds due 2030	6,785,540	—	6,715,647	6,715,647	6.3%	March 12, 2030
		24,658,432	80,374,471	105,032,903		
		₱41,451,409	₱84,227,438	₱125,678,847		

Amounts are presented net of unamortized deferred costs.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule E: SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO
RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025**

This schedule is not applicable as there are no non-current indebtedness to related parties as of December 31, 2025.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule F: SUPPLEMENTARY SCHEDULE OF GUARANTEES OF
SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025**

The Group does not have guarantees of securities of other issuers as of December 31, 2025.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**Schedule G: SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK****DECEMBER 31, 2025**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
		(In Thousands)				
Common Shares	15,000,000	8,648,463	—	7,653,635	66,603	928,225
Preferred Shares	2,000,000	8,000	—	—	—	8,000

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule H: SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES – SECURITIES
OFFERED TO THE PUBLIC
DECEMBER 31, 2025**

On February 7, 2024, the Parent Company issued fixed rate 2.5-year bonds due in 2026 with principal amount of ₱10.0 billion. The bonds carry a fixed interest rate of 6.3206% per annum payable quarterly in arrears starting May 7, 2024.

I.	Proceeds	
	Net proceeds	₱9,876.0
II.	Utilization	
	Refinancing of debt obligations	5,000.0
	Capital expenditures for:	
	Hotel projects	1,017.4
	Renewable Energy and Water Projects	34.0
	Investment in Digitalization	461.0
	General corporate purposes	1,000.0
III.	Balance as of December 31, 2025	₱2,636.6

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule I: SUPPLEMENTARY SCHEDULE OF PREFERRED STOCK
ISSUANCES – SECURITIES OFFERED TO THE PUBLIC
DECEMBER 31, 2025**

On August 8, 2025, the FDC issued and listed 8,000,000 cumulative, non-voting, non-convertible, redeemable and re-issuable perpetual preferred shares with 1 par value, at an issue price of 1,000 per share. The listing was offered in two (2) series: Series A Preferred Shares (FDCPA) with dividend rate of 6.6253% per annum and Series B Preferred Shares (FDCPB) with dividend rate of 7.1087% per annum.

The preferred shares and additional paid-in capital recognized from the issuance amounted to ₱8.0 million and ₱7.9 billion, respectively. Shares issued for Series A and Series B are 2,310,015 shares and 5,689,985 shares, respectively.

I.	Proceeds	
	Net proceeds	₱8,000.0
II.	Utilization	
	Offer expenses	508.6
	Refinancing of debt obligation	34.0
	Capital expenditures	137.5
	General corporate purposes	1,000.0
III.	Balance as of December 31, 2025	₱3,195.9

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025

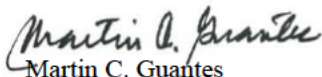
	2025	2024
Total Audit Fees	₱24,770,349	₱20,864,685
Non-audit services fees:		
Other assurance services	11,205,807	10,241,798
Tax services	2,658,156	728,630
All other services	15,576,470	2,400,000
Total Non-audit Fees	29,440,433	13,370,428
Total Audit and Non-audit Fees	₱54,210,782	₱34,235,113

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Development Corporation (the Parent Company) and its subsidiaries (collectively referred to as the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024, and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



FILINVEST DEVELOPMENT CORPORATION**ANNEX 68-E - COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025****(Amounts in Thousands of Pesos, Except Earnings Per Share Figures))**

Below are the financial ratios that are relevant to the Group as of and for the years ended December 31, 2025 and 2024.

Ratio	Formula	2025	2024
Earnings Per Share (EPS)	Net Income Attributable to Equity Holders divided by Weighted Average Number of Outstanding Shares Net Income Attributable to Equity Holders ₱15,007,865 Less: Dividends for preferred shareholders 139,383 Divide by: Weighted Average Number of Outstanding Shares 8,648,463 EPS ₱1.72	₱1.72	₱1.40
Price Earnings Ratio	Closing Price divided by EPS Closing Price ⁽¹⁾ ₱4.55 Divide by: EPS ₱1.72 Price Earnings Ratio 2.65	2.65	3.53
Return on Revenues	Net Income divided by Total Revenues and Other Income Net Income ₱18,876,268 Divide by: Total Revenues and Other Income ₱120,574,335 Return on Revenues 16%	16%	14%
Return on Equity (ROE) (average)	Net Income divided by Average Equity Net Income ₱18,876,268 Divide by: Average Equity ₱199,027,644 ROE 9%	9%	9%
Long-term and Short-Term Debt to Equity Ratio	Long-term and Short-Term Debt divided by Total Stockholders' Equity Long-term and Short-Term Debt ₱125,678,847 Divide by: Total Stockholders' Equity ₱211,674,781 Long-term and Short-Term Debt to Equity Ratio 0.59	0.59	0.74
Total Liabilities to Equity Ratio	Total Liabilities divided by Total Stockholders' Equity Total Liabilities ⁽²⁾ ₱193,241,805 Divide by: Total Stockholders' Equity ₱211,674,781 Total Liabilities to Equity Ratio 0.91	0.91	1.10

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

5	1	0	4	8					
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COMPANY NAME

F	I	L	I	N	V	E	S	T		D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T
I	O	N																											

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

T	H	E		B	E	A	U	F	O	R	T	,		5	T	H		A	V	E	N	U	E		C	O	R	N	E
R		2	3	R	D		S	T	R	E	E	T	,		B	O	N	I	F	A	C	I	O		G	L	O	B	A
L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y		1	6	3	4	,		M	E	T	R
O		M	A	N	I	L	A																						

Form Type

A	A	F	S
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Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

N	A
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COMPANY INFORMATION

Company's Email Address www.filinvestgroup.com	Company's Telephone Number 7798-3959	Mobile Number NONE
No. of Stockholders 3,972	Annual Meeting (Month / Day) Last Friday of April	Fiscal Year (Month / Day) 12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person Ven Christian S. Guce	Email Address Ven.guce@filinvestgroup.com	Telephone Number/s 7798-3977	Mobile Number N/A
---	--	---	--

CONTACT PERSON'S ADDRESS

The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila

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

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



FILINVEST DEVELOPMENT CORP.

6th Floor, The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City, Philippines
Trunk line: (632) 798-3977
www.filinvestgroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated 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 consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


JONATHAN T. GOTIANUN
Chairman of the Board


RHODA A. HUANG
President and Chief Executive Officer


VEN CHRISTIAN S. GUCE
Treasurer and Chief Financial Officer

Signed this 18th day of March, 2026

FILINVEST DEVELOPMENT CORP.

6th Floor, The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City, Philippines
Trunk line: (632) 798-3977
www.filinvestgroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **FILINVEST DEVELOPMENT CORPORATION** (the Company) is responsible for the preparation and fair presentation of the parent financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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, has expressed its opinion on the fairness of presentation upon completion of such audit.


JONATHAN T. GOTIANUN
Chairman of the Board


RHODA A. HUANG
President and Chief Executive Officer


VEN CHRISTIAN S. GUCE
Treasurer and Chief Financial Officer

Signed this 18th day of March, 2026

SUBSCRIBED AND SWORN to before me this 18 MAR 2026 affiants exhibiting to me their competent evidence of identity as follows:

NAME	PROOF OF IDENTITY	DATE AND PLACE OF ISSUE
Jonathan T. Gotianun	[REDACTED]	December 9, 2024 DFA Manila
Rhoda A. Huang	[REDACTED]	January 15, 2025 DFA NCR East
Ven Christian S. Guce	[REDACTED]	October 29, 2021 DFA Manila

Doc No. 171
Page No. 36
Book No. 02
Series of 2026



ATTY. [REDACTED] SANTOS
Notary Public
Until December 31, 2026
Roll of Attorneys No. 91455
IBP No. 579111/12-31-2025/Makati City Chapter
PTR No. 6040802/01-07-2026/Mandaluyong City
Notarial Commission No. M-353(2025-2026), Makati City
MCLB Compliance No. VIII-0013818/09-30-2024/Pasig City
29th Floor, P8COM Tower, 6795 Ayala Avenue
cor. V.A. Rufino St., Makati City

[REDACTED]

From: Investor Relations
Sent: Wednesday, April 15, 2026 3:17 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Fw: [EXT] Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Wednesday, April 15, 2026 3:14 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [EXT] Your BIR AFS eSubmission uploads were received

CAUTION: This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.

Hi FILINVEST DEVELOPMENT CORPORATION,

Valid files

- EAFS000053167ITRTY122025.pdf
- EAFS000053167TCRTY122025-01.pdf
- EAFS000053167AFSTY122025.pdf
- EAFS000053167RPTTY122025.pdf
- EAFS000053167OTHTY122025.pdf

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Transaction Code: **AFS-0-3XXVPPS40KC698AEPX2QY4YV03VTPV2PW**
Submission Date/Time: **Apr 15, 2026 03:14 PM**
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City 1634, Metro Manila

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Filinvest Development Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (the 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 audit of the 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 Parent Company Financial Statements

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

In preparing the parent company financial statements, management is responsible for assessing the Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent 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 Parent 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 parent company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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.



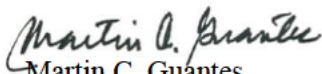
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of the Parent Company in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to parent company financial statements. Such information is not a required part of the basic parent company financial statements. The information is also not required by the Revised Securities Regulation Code Rule 68. Our opinion on the basic parent company financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Martin C. Guantes.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

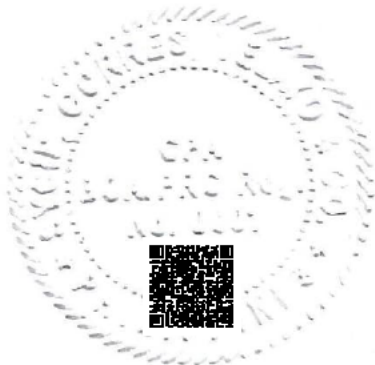
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



FILINVEST DEVELOPMENT CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 16)	₱3,326,604	₱5,455,079
Receivables (Notes 5 and 16)	78,862	59,118
Due from related parties (Note 16)	1,092,769	425,035
Real estate inventories (Note 6)	–	92,761
Other current assets (Note 7)	3,763	2,635
Total Current Assets	4,501,998	6,034,628
Noncurrent Assets		
Receivables - net of current portion (Notes 5 and 16)	35,520	27,265
Financial assets at fair value through other comprehensive income (Note 8)	353,800	390,316
Investments in shares of stock (Note 9)	55,246,189	58,768,397
Investment properties (Note 10)	2,206,016	2,146,627
Property and equipment (Note 11)	8,497	6,567
Right-of-use assets (Note 23)	151,383	21,699
Deferred tax assets - net (Note 20)	–	40,552
Retirement assets - net (Note 19)	8,627	–
Other noncurrent assets (Note 12)	78,488	539,933
Total Noncurrent Assets	58,088,520	61,941,356
	₱62,590,518	₱67,975,984
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities (Note 13)	₱415,940	₱421,952
Current portion of:		
Long-term debt (Notes 14 and 16)	16,792,977	13,775,673
Lease liabilities (Notes 16 and 24)	42,805	6,511
Due to related parties (Note 16)	–	889
Total Current Liabilities	17,251,722	14,205,025
Noncurrent Liabilities		
Deferred income (Note 16)	–	386,189
Long-term debt - net of current portion (Notes 14 and 16)	3,852,967	19,192,730
Retirement liabilities - net (Note 19)	–	48,543
Lease liabilities - net of current portion (Notes 16 and 23)	114,614	24,348
Deferred tax liabilities - net (Note 20)	17,255	–
Other noncurrent liabilities (Note 13)	120,632	631,369
Total Noncurrent Liabilities	4,105,468	20,283,179
Total Liabilities	21,357,190	34,488,204

(Forward)



	December 31	
	2025	2024
EQUITY		
Common stock (Note 15)	₱9,319,872	₱9,319,872
Preferred stock (Note 15)	8,000	—
Additional paid-in capital - common stock (Note 15)	11,900,015	11,900,015
Additional paid-in capital - preferred stock (Note 15)	7,921,871	—
Treasury shares (Note 15)	(3,614,474)	(3,614,474)
Retained earnings (Note 15)	15,325,692	15,544,375
Revaluation reserve on financial assets at fair value through other comprehensive income (Note 8)	339,176	355,176
Remeasurement gains (losses) on retirement plan - net of tax (Notes 19 and 20)	33,176	(17,184)
Total Equity	41,233,328	33,487,780
	₱62,590,518	₱67,975,984

See accompanying Notes to Parent Company Financial Statements.



FILINVEST DEVELOPMENT CORPORATION
PARENT COMPANY STATEMENTS OF INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31	
	2025	2024
REVENUES		
Dividend income (Notes 9, 16 and 18)	₱5,646,647	₱4,113,932
Rental income (Notes 10, 16 and 23)	196,923	199,757
Management and service fees (Note 16)	30,618	37,434
	5,874,188	4,351,123
OTHER INCOME		
Interest income (Notes 4 and 16)	160,079	219,507
Net foreign currency exchange gain (loss)	(7,129)	36,746
Miscellaneous income (Notes 10 and 16)	451,402	145,344
	604,352	401,597
Total Revenues and Other Income	6,478,540	4,752,720
COSTS		
Rental services (Note 10)	30,683	19,931
Management and service fees (Note 16)	15,036	11,369
	45,719	31,300
OPERATING EXPENSES (Note 17)	3,706,466	2,359,889
INTEREST AND OTHER FINANCE CHARGES (Notes 14, 16 and 23)	1,539,329	1,699,700
Total Costs, Operating Expenses and Interest and Other Finance Charges	5,291,514	4,090,889
INCOME BEFORE INCOME TAX	1,187,026	661,831
PROVISION FOR INCOME TAX (Note 20)	53,206	10,813
NET INCOME	₱1,133,820	₱651,018

See accompanying Notes to Parent Company Financial Statements.



FILINVEST DEVELOPMENT CORPORATION**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME****(Amounts in Thousands of Pesos)**

	Years Ended December 31	
	2025	2024
NET INCOME	₱1,133,820	₱651,018
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Changes in fair value of financial assets at fair value through other comprehensive income (Note 8)	(16,000)	68,800
Remeasurement gains on retirement plan - net of tax (Notes 19 and 20)	50,360	3,128
	34,360	71,928
TOTAL COMPREHENSIVE INCOME	₱1,168,180	₱722,946

See accompanying Notes to Parent Company Financial Statements.

FILINVEST DEVELOPMENT CORPORATION
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands of Pesos)

	Common Stock (Note 15)	Preferred Stock (Note 15)	Additional Paid-in Capital - Common Stock (Note 15)	Additional Paid-in Capital - Preferred Stock (Note 15)	Treasury Shares (Note 15)	Retained Earnings (Note 15)	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (Note 8)	Remeasurements Gains (Losses) on Retirement Plans - Net of Tax (Notes 19 and 20)	Total
For the Year Ended December 31, 2025									
Balances as of January 1, 2025	₱9,319,872	₱—	₱11,900,015	₱—	(₱3,614,474)	₱15,544,375	₱355,176	(₱17,184)	₱33,487,780
Net income	—	—	—	—	—	1,133,820	—	—	1,133,820
Other comprehensive income (loss) (Note 8)	—	—	—	—	—	—	(16,000)	50,360	34,360
Total comprehensive income (loss)	—	—	—	—	—	1,133,820	(16,000)	50,360	1,168,180
Issuance of shares, net of stock issuance costs (Note 15)	—	8,000	—	7,921,871	—	—	—	—	7,929,871
Dividends declared (Note 15)	—	—	—	—	—	(1,352,503)	—	—	(1,352,503)
Balances as of December 31, 2025	₱9,319,872	₱8,000	₱11,900,015	₱7,921,871	(₱3,614,474)	₱15,325,692	₱339,176	₱33,176	₱41,233,328
For the Year Ended December 31, 2024									
Balances as of January 1, 2024	₱9,319,872	₱—	₱11,900,015	₱—	(₱3,614,474)	₱15,788,127	₱286,376	(₱20,312)	₱33,659,604
Net income	—	—	—	—	—	651,018	—	—	651,018
Other comprehensive income (Note 8)	—	—	—	—	—	—	68,800	3,128	71,928
Total comprehensive income	—	—	—	—	—	651,018	68,800	3,128	722,946
Dividends declared (Note 15)	—	—	—	—	—	(894,770)	—	—	(894,770)
Balances as of December 31, 2024	₱9,319,872	₱—	₱11,900,015	₱—	(₱3,614,474)	₱15,544,375	₱355,176	(₱17,184)	₱33,487,780

See accompanying Notes to Parent Company Financial Statements.


FILINVEST DEVELOPMENT CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱1,187,026	₱661,831
Adjustments for:		
Provision for impairment losses (Notes 9, 10, 16 and 17)	2,982,724	1,840,111
Interest and other finance charges (Notes 14, 16 and 24)	1,539,329	1,699,700
Depreciation and amortization (Notes 10, 11, 17 and 24)	52,397	23,885
Retirement expense (Notes 17 and 19)	9,977	19,625
Net foreign currency exchange loss (gain)	7,129	(36,746)
Gain on termination of lease (Note 23)	(7,282)	–
Gain on disposal of financial assets at fair value through other comprehensive income (Note 8)	(48,460)	–
Interest income (Notes 4 and 16)	(160,079)	(219,507)
Dividend income (Notes 9, 16 and 18)	(5,646,647)	(4,113,932)
Operating loss before changes in operating assets and liabilities	(83,886)	(125,033)
Increase in:		
Receivables	(27,999)	(29,834)
Other current assets	(1,128)	(2,403)
Decrease in accounts payable and other liabilities and other noncurrent liabilities	(356,266)	(261,369)
Cash used in operations	(469,279)	(418,639)
Income tax paid (including creditable withholding taxes)	(12,186)	(7,862)
Net cash used in operating activities	(481,465)	(426,501)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of:		
Dividends (Notes 9, 16 and 18)	5,646,647	4,113,932
Interest income (Notes 4, 5 and 16)	160,079	208,402
Proceeds from disposals of:		
Investments in shares of stock (Note 9)	1,504,805	–
Financial assets at fair value through other comprehensive income (Note 8)	67,500	–
Additions to:		
Investments in subsidiaries (Note 9)	(950,608)	(1,009,718)
Investment properties and property and equipment (Notes 10 and 11)	(3,729)	(74,043)
Decrease (increase) in:		
Due from related parties (Note 16)	(682,447)	472,817
Other noncurrent assets (Note 12)	(10,999)	(22,077)
Net cash provided by investing activities	5,731,248	3,689,313

(Forward)



	Years Ended December 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of long-term debt (Note 14)	₱2,500,000	₱18,673,394
Proceeds from issuance of preferred shares - net of stock issuance costs (Note 15)	7,929,871	—
Payments of:		
Long-term debt (Note 14)	(14,883,133)	(18,316,659)
Interest and other financing charges	(1,560,952)	(1,664,318)
Dividends (Note 15)	(1,339,327)	(886,075)
Lease liabilities (Note 24)	(16,699)	(8,106)
Addition to (payment of) due to related parties (Note 16)	(889)	167
Net cash used in financing activities	(7,371,129)	(2,201,597)
EFFECT OF FOREIGN CURRENCY RATE CHANGES IN CASH AND CASH EQUIVALENTS	(7,129)	36,746
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,128,475)	1,097,961
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,455,079	4,357,118
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱3,326,604	₱5,455,079

See accompanying Notes to Parent Company Financial Statements.



FILINVEST DEVELOPMENT CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information and Approval for Issuance of Parent Company Financial Statements

Corporate Information

Filinvest Development Corporation (FDC or the Parent Company) is a stock corporation incorporated on April 27, 1973, under the laws of the Philippines where its shares are publicly traded. The Parent Company is the holding company of the Filinvest Group, which is engaged in real estate operations as a developer of residential subdivisions and mixed-use urban projects, including condominium and commercial buildings, industrial parks, and farm estates. The Filinvest Group is also involved in leasing operations, hospitality operations, banking and financial services, power and utility operations and sugar farming and milling business.

A.L. Gotianun, Inc. (ALGI) is FDC's ultimate parent company and was incorporated in the Philippines.

The Parent Company's registered business address is The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila.

Issuance of FDC preferred stock

On August 8, 2025, the Parent Company issued and listed at the Philippine Stock Exchange ("PSE") 8,000,000 cumulative, non-voting, non-convertible, redeemable at the option of the Parent Company and re-issuable perpetual preferred shares with ₱1 par value, at an issue price of ₱1,000 per share. The listing was offered in two (2) series: Series A Preferred Shares (FDCPA) with dividend rate of 6.6253% per annum and Series B Preferred Shares (FDCPB) with dividend rate of 7.1087% per annum.

The proceeds from the offer were utilized to refinance existing obligations and support key growth initiatives that are aligned with FDC's long-term strategy.

Approval for Issuance of Parent Company Financial Statements

The accompanying parent company financial statements as of and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on March 18, 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The parent company financial statements are prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The parent company financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional currency. All amounts are rounded to the nearest thousand unless otherwise indicated.

Statement of Compliance

The parent company financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



The Parent Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements, presented in compliance with PFRS Accounting Standards, which are available at the Parent Company's registered office address.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, *Lack of exchangeability*, which 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 adoption of these amendments did not have an impact on the parent company financial statements.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosure about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- 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 Parent Company is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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*



Summary of Material Accounting Policies

The following accounting policies were applied in preparation of the parent company financial statements:

Current and Noncurrent Classification

The Parent Company presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash and cash equivalents, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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



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

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

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

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - initial recognition and measurement

Financial assets are classified, at initial recognition, as either at amortized cost, at FVOCI, or at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date, i.e., the date that an asset is delivered to or by the Parent Company. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Parent Company, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Parent Company. Securities transactions and related commission income and expense are recorded also on a settlement date basis.

As of December 31, 2025 and 2024, the Parent Company's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four (4) categories:

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



- Financial assets at FVPL

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within the Parent Company's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method less any allowance for credit losses, with the calculated interest recognized as interest income in the parent company statement of income.

The Parent Company classified cash and cash equivalents, contracts and other receivables (excluding advances to officers and employees), due from related parties and refundable deposits under other noncurrent assets as financial assets at amortized cost.

The Parent Company may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost. For the years ended December 31, 2025 and 2024, the Parent Company has not made such designation.

Financial assets designated at FVOCI (equity instruments)

At initial recognition, the Parent Company can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading.

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

The Parent Company's equity instruments at FVOCI include investments in quoted and unquoted equity securities.

Financial assets at FVPL

Debt instruments that do not meet the amortized cost or FVOCI criteria, or that meet the criteria, but the Group has chosen to designate as at FVPL at initial recognition, are measured at FVPL. Equity investments are classified as at FVPL, unless the Group designates an investment that is not held for trading as at FVOCI at initial recognition.

As of December 31, 2025 and 2024, the Parent Company has no financial assets at FVPL.

Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



Financial liabilities - subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two (2) categories:

- Financial liabilities at amortized cost (loans and borrowings)
- Financial liabilities at FVPL

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost where the substance of the contractual arrangement results in the Parent Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy 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 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 liability component on the date of issue.

Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the EIR. The EIR amortization is included as finance costs in the parent company statement of income.

As of December 31, 2025 and 2024, loans and borrowings consist primarily of accounts payable and other liabilities (excluding payables to government), long-term debt, due to related parties and lease liabilities.

Financial liabilities at FVPL

Financial liabilities are classified as at FVPL when the financial liability is either held for trading or is designated as at FVPL.

As of December 31, 2025 and 2024, the Parent Company has no financial liabilities at FVPL.

Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Parent Company applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a provision matrix for other receivables and a vintage analysis for contract receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or,
- the Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Parent Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Parent 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 Parent Company could be required to repay.

Financial liabilities

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Parent Company and all of its counterparties.

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land acquisition costs and expenses directly related to acquisition;
- Amounts paid to contractors for development and construction; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.



NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventory recognized in the parent company statement of income on disposal is determined with reference to the specific costs incurred on the property sold, including an allocation of any non-specific costs based on the relative size of the property sold.

Investments in Shares of Stock

Investments in shares of stock include investments in subsidiaries, joint ventures and associates.

Investments in subsidiaries

Investments in subsidiaries are accounted for under the cost method less accumulated allowance for impairment losses, if any. A subsidiary is an entity in which the Parent Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or exercises control over the operations and management of the investee. Control exists when an entity is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee.

The Parent Company's investments in subsidiaries and the related effective percentages of ownership are as follows:

	Nature of Business	Percentage of Ownership	
		2025	2024
East West Banking Corporation (EWBC) ⁽¹⁾	Domestic universal bank	78	78
Filinvest Land Inc. (FLI)	Real estate developer	71	71
Filinvest Mimosa, Inc. (FMI) ⁽²⁾	Property management	81	81
Dreambuilders Pro, Inc. (DPI) ⁽³⁾	Real estate developer	87	87
Filinvest Alabang Inc. (FAI) ⁽⁴⁾	Real estate developer	94	94
Pro-excel Property Managers, Inc. (PPMI) ⁽⁵⁾	Real estate developer	84	84
FDC Utilities, Inc. (FUI)	Holding company	100	100
FDC Misamis Power Corporation (FMPC) ⁽⁶⁾	Power and utilities	100	100
FDC Water Utilities, Inc. (FWUI) ⁽⁷⁾	Water supply	100	100
Countrywide Water Services, Inc. (CWSI)	Water supply	100	100
Pacific Sugar Holdings Corporation (PSHC)	Agriculture	100	100
Mactan Seascapes Services, Inc. (MSSI)	Hotel	100	100
Filinvest Hospitality Corporation (FHC)	Hotel management	100	100
Chroma Hospitality, Inc. (CHI)	Hotel management	100	100
FDC Ventures, Inc. (FVI)	Holding company	100	100
Filinvest International Pte. Ltd. (FIPL)	Holding company	100	100
Filinvest Development Cayman Islands (FDCI)	Holding company	100	100
f(dev) Digital Innovations and Ventures, Inc. (FDIVI)	Holding company	100	100
Filinvest Business Services Corporation (FBSC)	Business process outsourcing	87	87
(formerly Corporate Technologies, Inc. (CTI)) ⁽⁸⁾			
SharePro, Inc. (SPI) ⁽⁹⁾	Business process consultancy	86	86
Filinvest Infra-Solutions Ventures Inc. (FIVI)	Infrastructure	100	100
ProActive Professionals Corp. (PPC) ⁽⁹⁾	Business process outsourcing	87	87

Notes:

1. The percentage ownership in EWBC includes indirect ownership through FVI of 37.9%.
2. The percentage ownership in FMI includes indirect ownership through FLI of 47.5%.
3. The percentage ownership in DPI includes indirect ownership through FLI of 45.0%.
4. The percentage ownership in FAI includes indirect ownership through FLI of 20.0%.
5. The percentage ownership in PPMI includes 47.5% share of FLI and 47.5% share of FAI.
6. The percentage ownership in FMPC includes indirect ownership through FDCUI of 85.7%.
7. The percentage ownership in FWUI includes indirect ownership through FUI.
8. The percentage ownership in FBSC includes indirect ownership through FLI and FAI of 30.0% each.
9. The percentage ownership in SPI included indirect relationship through FLI and FAI of 45.0% and 20.0% respectively.
10. The percentage ownership in PPC includes 40.0% share of FLI and 40.0% share of FAI.



Investments in joint ventures

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control.

The Parent Company's investments in joint ventures are accounted for using the cost method less accumulated allowance for impairment losses, if any. The Parent Company did not account for the investment in joint venture using the equity method because it availed of the exemption from using the equity method as allowed under PAS 28, *Investments in Associates and Joint Venture*.

The Parent Company's investments in joint ventures and the related percentages of ownership are as follows:

	Percentage of Ownership	
	2025	2024
Filinvest-Hitachi Omni Waterworks, Inc. (FHOWI)	60.0	60.0
Professional Operations and Maintenance Experts Incorporated (PROMEI)	47.5	47.5

Investments in associates

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Parent Company's investment in an associate is accounted for using the cost method less accumulated allowance for impairment losses, if any. The Parent Company did not account for the investment in associate using the equity method because it availed of the exemption from using the equity method as allowed under the PAS 28.

Upon loss of significant influence over the associate, the Parent Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The Parent Company's investments in associates and the related percentages of ownership are as follows:

	Percentage of Ownership	
	2025	2024
Luzon International Premiere Airport Development Corp. (LIPAD)	42.5	42.5

Investment Properties

Investment properties are held to earn rentals or for capital appreciation or both. Investment properties, except for land are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost, less impairment in value, if any. Initial cost of investment properties consists of its purchase price, including taxes and any directly attributable costs of bringing the investment properties to its intended location and working condition.

Investment properties consist of land, buildings and building improvements, furniture, fixtures and other equipment which are part of the building held to earn rentals.



Expenditures incurred after the investment properties have been put in operations, such as repairs and maintenance costs, are normally charged against income in the period in which costs are incurred.

Depreciation is calculated on the straight-line basis over the estimated useful lives (EUL) of the assets as follows:

	Years
Buildings and building improvements	15 to 40
Furniture, fixtures and other equipment	10

The EUL and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

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

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

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. All other repair and maintenance costs are recognized in the parent company statement of income as incurred.

Depreciation is calculated on the straight-line basis over the EUL of the assets as follows:

	Years
Furniture, fixtures and office equipment	5
Transportation equipment	5
Machinery and equipment	5
Leasehold improvements	5 to 10 years or lease term, whichever is shorter

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in the parent company statement of income in the year the asset is derecognized.



Impairment of Nonfinancial Assets

The carrying values of investments in shares of stock, investment properties, property and equipment and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost to sell and value-in-use (VIU).

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. Impairment losses are recognized in the parent company statement of income.

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 exist, the Parent Company estimates the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of the asset is increased to its recoverable amount but the amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Deferred Income

Deferred income pertains to deferred charges to subsidiaries pertaining to capitalized borrowing costs. The interest is being amortized over the life of the related property (i.e., 10 years).

Equity

Capital stock and Additional paid-in capital (APIC)

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. When the shares are issued at a premium, the difference between the proceeds and the par value is credited to APIC account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. Direct cost incurred related to the equity issuance, are charged to APIC account. In the absence of APIC, the direct costs are charged against retained earnings.

Retained earnings

Retained earnings represent the accumulated earnings of the Parent Company, and any other adjustments as required by other standards, less dividends declared.

Treasury shares

Own equity instruments which are reacquired are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is charged to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance.



Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled to in exchange for those goods or services. The Parent Company has generally concluded that it is the principal in its revenue arrangements (except when otherwise stated) because it typically controls the goods or services before transferring them to the customer.

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

Dividend income

Dividend income is recognized when the Parent Company's right to receive payment is established.

Rental income

Rent income arising from investment properties is recognized in the parent company statement of income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of tenants, pursuant to the terms of the lease contracts. Leases under contingent rents are recognized as income in the period in which they are earned.

Management and service fees

Management and service fees arising from income on administrative functions and other services are recognized when services are rendered.

Interest income

Interest income is recognized as the interest accrues taking into account the effective yield on the underlying assets.

Costs and Expenses Recognition

Costs and expenses are recognized in the parent company statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in the parent company statement of income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the parent company statement of financial position as an asset.

Retirement Benefit Costs

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

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.



Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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

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

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

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

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

Termination Benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.



Leases

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

The Parent Company as a Lessor

Leases where the Parent Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

The Parent Company as a Lessee

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

(i) ROU assets

The Parent 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, initial direct costs incurred, and 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 Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The useful life for the building recognized as ROU asset is 10 years.

ROU assets are subject to impairment. Refer to the accounting policies on impairment of nonfinancial assets.

(ii) Lease liabilities

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

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



(iii) Short-term leases

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

Income Taxes

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 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 benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of MCIT and unused NOLCO can be utilized.

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 taxable profit will be available to allow all or part of the deferred tax assets 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 expected to apply to the year 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. Income tax relating to items recognized directly in OCI is recognized in parent company statement of comprehensive income and not in the parent company statement of income.

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

Provisions

A provision is recognized when the Parent 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 on the amount of the obligation. 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 interest expense. When the Parent Company expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.



Contingencies

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

Events After the Reporting Date

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed when material in the parent company financial statements.

3. **Material Accounting Judgments and Estimates**

The preparation of parent company financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the parent company financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any change in estimates are reflected in the parent company financial statements as they become reasonably determinable.

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

Judgments

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

a. Contingencies and provisions

The Parent Company is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Parent Company currently does not believe these proceedings will have material effect on the financial position and financial performance.

b. Determining taxable profit (loss), tax bases, unused tax losses, unused tax credits and tax rates

The Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgment in identifying uncertainties over its income tax treatments. The Parent Company determined, based on its tax compliance review, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments will be accepted by the taxation authorities.

c. Determination of joint control over investments in joint ventures

Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is presumed to exist when the investors contractually agree on the sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Based on the provisions of the joint venture arrangements, the parties to the joint venture arrangements



have to agree in order for any resolution to be passed relating to the joint venture entity's relevant activities. This joint arrangement is classified as a joint venture since the parties have rights to the net assets of the joint venture entity.

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Evaluation of impairment of receivables and due from related parties

The Parent Company uses the vintage analysis to calculate ECLs for contract receivables and a provision matrix for other receivables and due from related parties. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The vintage analysis (the model) is initially based on the Parent Company's historical observed default rates. The Parent Company will calibrate the model to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., gross domestic product and inflation rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

On the other hand, the provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information such as gross domestic product and consumer confidence. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

As of December 31, 2025 and 2024, the carrying values of receivables amounted to ₱114.4 million and ₱86.4 million, respectively, and due from related parties amounted to ₱1,092.8 million and ₱425.0 million, respectively (see Notes 5 and 16).

b. Estimating NRV of real estate inventories

The Parent Company adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling price of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have significantly increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

As of December 31, 2025 and 2024, real estate inventories amounted to nil and ₱92.8 million, respectively (see Note 6).



d. *Evaluation of impairment of nonfinancial assets*

The Parent Company reviews investments shares of stock, investment properties, property and equipment and other current and noncurrent assets for impairment of value. This includes considering certain indications of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indications are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less cost to sell, or its VIU.

The fair value less cost to sell is the amount to be received from the sale of an asset in an arm's length transaction, while VIU is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

In 2025 and 2024, the Parent Company recognized provision for probable losses amounting to ₱2,982.7 million and ₱1,705.2 million (see Note 17), respectively, and, as of December 31, 2025 and 2024, the carrying values of the Parent Company's nonfinancial assets are included in Notes 7, 9, 10, 11 and 12 to the parent company financial statements.

c. *Recognition of deferred taxes*

The Parent Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Parent Company will generate sufficient taxable profit to allow all or part of its deferred income tax assets to be utilized.

As of December 31, 2025 and 2024, the Parent Company's deferred tax assets, before offset against deferred tax liabilities, amounted to ₱96.9 million and ₱74.4 million, respectively (see Note 20).

As of December 31, 2025 and 2024, the Parent Company has NOLCO, MCIT and provision for probable losses for which no deferred tax assets were recognized (see Note 20).

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Cash on hand	₱109	₱59
Cash in banks	1,651,908	2,177,976
Cash equivalents	1,674,587	3,277,044
	₱3,326,604	₱5,455,079

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement, subject to an insignificant risk of



change in value and earn annual interest at the respective short-term investment rates ranging from 3.0% to 6.5% and 4.0% to 6.5% in 2025 and 2024, respectively.

Interest income earned from cash and cash equivalents amounted ₱137.1 million and ₱206.4 million in 2025 and 2024, respectively.

5. Receivables

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Rent receivables (Notes 16 and 24)	₱76,480	₱60,666
Interest receivables	18,228	11,105
Advances to officers and employees	5,049	7,542
Contract receivables	4,273	4,333
Others	10,352	2,737
	114,382	86,383
Less noncurrent portion of rent receivables	35,520	27,265
	₱78,862	₱59,118

Rent receivables pertain to the rental collectible from lessees which are normally collectible within one (1) month. This also includes the effect of straight-line calculation of rental income. The noncurrent portion of rent receivables are expected to be realized beyond one (1) year from the reporting date.

Interest receivables pertain to earned interest income from cash equivalents and interest-bearing due from related parties which remain uncollected as of reporting date.

Advances to officers and employees pertain to advances for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities. These are liquidated or charged against officers' and employees' monthly salaries.

Contract receivables are collectible within one year. These receivables arising from real estate sales are collateralized by the corresponding real estate properties sold.

Others include receivables from brokers and various advances.

6. Real Estate Inventories

Real estate inventories pertain to costs incurred in the development of the Parent Company's Beaufort Project located in Bonifacio Global City in which the Parent Company has been granted License to Sell by Housing Land Use Regulatory Board of the Philippines. The Parent Company has completed the development of Beaufort Project in 2015.



A summary of the movement in real estate inventories is set out below:

	2025	2024
	<i>(In Thousands)</i>	
Balance at beginning of year	₱92,761	₱92,761
Reclassification to investment properties (Note 10)	(92,761)	—
Balance at end of year	₱—	₱92,761

In 2025, the Parent Company reassessed the intended use of its remaining real estate inventories and concluded that such properties are no longer held for active sale but are held to earn rental income and/or for capital appreciation, and thus reclassified the carrying values to investment properties (see Note 10).

The real estate inventories are carried at cost. There are no inventories whose NRV are below their cost as of December 31, 2024.

7. Other Current Assets

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Creditable withholding taxes - net	₱43,184	₱514,514
Input value-added tax	1,398	—
Prepaid expenses	1,212	1,809
Others	1,153	826
	46,947	517,149
Less noncurrent portion (Note 12)	43,184	514,514
	₱3,763	₱2,635

Creditable withholding taxes are taxes withheld by the withholding agents from payments to the Parent Company which are creditable against the income tax payable. Current and noncurrent classification of creditable withholding taxes are based on the Parent Company's expected usage.

The carrying amount of creditable withholding taxes is as follows:

	2025	2024
	<i>(In Thousands)</i>	
Creditable withholding taxes	₱515,628	₱514,514
Less allowance for impairment losses	472,444	—
	₱43,184	₱514,514



8. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Quoted:		
Investments in club shares	₱353,800	₱369,800
Investments in shares of stock	–	368
	353,800	370,168
Unquoted:		
Investment in shares of stock	–	20,148
	₱353,800	₱390,316

The roll-forward of revaluation reserve on financial assets at FVOCI is as follows:

	2025	2024
	<i>(In Thousands)</i>	
Balance at beginning of year	₱355,176	₱286,376
Changes in fair value of financial assets at FVOCI	(16,000)	68,800
Balance at end of year	₱339,176	₱355,176

The roll-forward of financial assets at FVOCI as of December 31 is as follows:

	2025	2024
	<i>(In Thousands)</i>	
Balance at beginning of year	₱390,316	₱321,516
Disposals	(20,516)	–
Changes in fair value of financial assets at FVOCI	(16,000)	68,800
Balance at end of year	₱353,800	₱390,316

In 2025, the Parent Company sold its investment in shares of stock amounting to ₱19.0 million for a total consideration of ₱67.5 million and the related gain on disposal amounted to ₱48.5 million.

In 2025, the Parent Company wrote off its investment in shares of stock amounting to ₱1.5 million.

9. Investments in Shares of Stock

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
<i>Investments in subsidiaries</i>		
FLI	₱15,811,606	₱15,811,606
EWBC	7,710,777	7,715,582
PSHC	7,254,000	7,254,000
FVI	6,712,068	6,707,868
FHC	5,623,420	5,233,352

(Forward)



	2025	2024
	<i>(In Thousands)</i>	
FMPC	₱3,750,000	₱5,250,000
FAI	3,200,000	3,200,000
FUI	2,246,301	2,246,301
MSSI	688,875	629,875
FDCI	607,305	3,383,689
FBSC	446,400	185,200
CWSI	211,944	211,944
DPI	110,000	110,000
FWUI	80,000	80,000
CHI	53,570	53,570
FMI	39,339	39,339
FIPL	16,804	4
FIVI	33,600	5,887
SPI	8,750	8,750
PPMI	3,767	3,767
	54,608,526	58,130,734
<i>Investments in joint ventures</i>		
FHOWI	20,625	20,625
PROMEI	12,038	12,038
	32,663	32,663
<i>Investments in associates</i>		
LIPAD	595,000	595,000
PPC	10,000	10,000
	605,000	605,000
	₱55,246,189	₱58,768,397

As of December 31, 2025 and 2024, the carrying values of the Parent Company's investment in FDIIV amounted to nil.

The roll-forward analysis of this account follows:

	2025	2024
	<i>(In Thousands)</i>	
Cost		
Balance at beginning of year	₱60,462,783	₱59,453,065
Additions	950,608	1,009,718
Redemption	(1,500,000)	—
Disposal	(4,805)	—
Balance at end of year	59,908,586	60,462,783
Accumulated impairment losses		
Balance at beginning of year	1,694,386	—
Provision for impairment losses (Note 17)	2,968,011	1,694,386
Balance at end of year	4,662,397	1,694,386
	₱55,246,189	₱58,768,397

Additions to Investments

FVI

In 2025, the Parent Company subscribed to additional 42,000 new common shares of FVI at ₱100 per share for a total subscription price of ₱4.2 million and fully paid the subscribed shares.



FHC

In 2025, the Parent Company made an additional capital infusion to FHC amounting to ₱390.1 million. In 2024, the Parent Company subscribed to additional 5.2 million preferred shares of FHC for a subscription price of ₱373.7 million. The Parent Company had fully paid the subscribed shares in 2024.

MSSI

In 2025, the Parent Company made an additional capital infusion to MSSI amounting to ₱59.0 million. In 2024, the Parent Company subscribed to additional 1.3 preferred shares of MSSI for a subscription price of ₱139.4 million and fully paid the subscribed shares.

FBSC

In 2025, the Parent Company made an additional capital infusion to FBSC amounting to ₱261.2 million. In 2024, the Parent Company subscribed to additional 11.7 preferred shares of FBSC for a subscription price of ₱117.3 million.

On November 29, 2024, the Philippine SEC approved the amendments to the Articles of Incorporation of Corporate Technologies, Inc. (CTI) to change its: (i) name to Filinvest Business Services Corporation; and (ii) primary purpose to sell its services to business entities.

FIPL

In 2025, the Parent Company made an additional capital infusion to FIPL amounting to ₱16.8 million.

FDCI

In 2025, the Parent Company made additional capital infusion to FDCI amounting to ₱206.3 million (US\$3.6 million). In 2024, the Parent Company subscribed to additional 3.0 million of FDCI for a subscription price of ₱164.8 million (US\$3.0 million). The Parent Company had fully paid the subscribed shares in 2024.

FLI

In 2024, the Parent Company subscribed to additional 245.2 million common shares of FLI for a subscription price of ₱164.4 million and fully paid the subscribed shares.

CWSI

In 2024, the Parent Company made additional payment amounting to ₱34.0 million to the subscribed shares of CWSI in 2015.

FIVI

In 2025, the Parent Company made an additional capital infusion to FIVI amounting to ₱27.7 million.

On January 13, 2024, FIVI was incorporated to invest and develop entities engaged in infrastructure related projects. In 2024, the Parent Company subscribed to 100.0% of FIVI's capital stock amounting to ₱5.9 million. FIVI has not started commercial operations as of December 31, 2024.

FDIVI

In 2024, the Parent Company made additional capital infusion to FDIVI amounting to ₱14.7 million. The Parent Company had fully paid the subscribed shares in 2024.

Disposals of Investments

EWBC

In 2025, the Parent Company sold its 376,000 shares in EWBC to FVI at a price of ₱12.78 per share, for a total consideration of ₱4.8 million.



FMPC

In 2025, FMPC partially redeemed 15.0 million preferred shares at par value and this amounted to ₱1,500.0 million.

Impairment of Investments

In 2025, the Parent Company recognized provisions for (reversal of) impairment losses on its investments in FDCI and FDIIV amounting to ₱2,982.7 million and (₱14.7 million), respectively (see Note 17).

In 2024, the Parent Company recognized provisions for impairment losses on its investments in FDCI and FDIIV amounting to ₱1,226.8 million and ₱467.6 million, respectively (see Note 17).

Dividend Declarations

For the years ended December 31, 2025 and 2024, the subsidiaries declared dividends amounting to ₱5,646.6 million and ₱4,113.9 million, respectively (see Note 18).

10. Investment Properties

The roll-forward analysis of this account follows:

2025				
	Land	Buildings and Building Improvements	Furniture, Fixtures and Other Equipment	Total
<i>(In Thousands)</i>				
Cost				
Balances at beginning of year	₱1,454,375	₱1,069,307	₱111,172	₱2,634,854
Transfer from real estate inventories (Note 6)	—	92,761	—	92,761
Balances at end of year	1,454,375	1,162,068	111,172	2,727,615
Accumulated Depreciation				
Balances at beginning of year	—	377,055	111,172	488,227
Depreciation (Note 17)	—	33,372	—	33,372
Balances at end of year	—	410,427	111,172	521,599
Net Book Values	₱1,454,375	₱751,641	₱—	₱2,206,016

2024				
	Land	Buildings and Building Improvements	Furniture, Fixtures and Other Equipment	Total
<i>(In Thousands)</i>				
Cost				
Balances at beginning of year	₱1,344,204	₱1,256,960	₱111,172	₱2,712,336
Additions	110,171	—	—	110,171
Write-off (Note 17)	—	(187,653)	—	(187,653)
Balances at end of year	1,454,375	1,069,307	111,172	2,634,854
Accumulated Depreciation				
Balances at beginning of year	—	412,754	111,172	523,926
Depreciation	—	17,078	—	17,078
Write-off (Note 17)	—	(52,777)	—	(52,777)
Balances at end of year	—	377,055	111,172	488,227
Net Book Values	₱1,454,375	₱692,252	₱—	₱2,146,627



Rental income from investment properties amounted to ₱196.9 million and ₱199.8 million in 2025 and 2024, respectively. Depreciation charged to costs of rental services arising from investment properties amounted to ₱26.5 million and ₱17.1 million in 2025 and 2024. Depreciation charged to operating expenses amounted to ₱6.9 million in 2025 (nil in 2024). Other costs of rental services amounted to ₱4.2 million and ₱2.8 million in 2025 and 2024, respectively.

Certain portions of the resort in Mactan, Cebu were physically damaged by Typhoon Odette when it made landfall in December 2021 resulting in halted operations beginning December 16, 2021. The resort has since reopened partially its specialty food and beverage outlet and guest rooms from February and April 2022, respectively, until July 2022 when its renovation and rehabilitation have commenced simultaneously. The property is covered by insurance. In 2024, the Parent Company has fully received the proceeds from the insurance companies totaling to ₱134.9 million and these were reported as “Miscellaneous income” in the parent company statement of income. The related partially damaged portion of the properties were written off and there were reported as “Casualty loss” under “Operating expenses” line item in the parent company statement of income (nil in 2025).

The aggregate fair value of the Parent Company’s investment properties amounted to ₱4,064.5 million as of December 31, 2025. The fair values are determined by management which were updated using current and year-end values and assumptions. The fair values of investment properties were determined using the market approach, under which the fair values are determined on the basis of recent sales of similar properties in the same area as the investment properties, taking into account the economic conditions prevailing at the time the valuations were made.

The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs.

The Parent Company’s investment properties are not pledged or used as collateral to secure any obligation as of December 31, 2025 and 2024.

11. Property and Equipment

The roll-forward analysis of this account follows:

	2025				
	Furniture, Fixtures and Office Equipment	Transportation Equipment	Machinery and Equipment	Leasehold Improvements	Total
	(In Thousands)				
Cost					
Balances at beginning of year	₱38,565	₱13,955	₱—	₱—	₱52,520
Additions	766	—	707	2,256	3,729
Balances at end of year	39,331	13,955	707	2,256	56,249
Accumulated Depreciation					
Balances at beginning of year	31,998	13,955	—	—	45,953
Depreciation (Note 17)	1,799	—	—	—	1,799
Balances at end of year	33,797	13,955	—	—	47,752
Net Book Values	₱5,534	₱—	₱707	₱2,256	₱8,497



	2024		
	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
	<i>(In Thousands)</i>		
Cost			
Balances at beginning of year	₱34,589	₱13,955	₱48,544
Additions	3,976	—	3,976
Balances at end of year	38,565	13,955	52,520
Accumulated Depreciation			
Balances at beginning of year	30,686	13,955	44,641
Depreciation (Note 17)	1,312	—	1,312
Balances at end of year	31,998	13,955	45,953
Net Book Values	₱6,567	₱—	₱6,567

The Parent Company's property and equipment are not pledged or used as collateral to secure any obligation as of December 31, 2025 and 2024.

12. Other Noncurrent Assets

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Creditable withholding taxes (Note 7)	₱43,184	₱514,514
System development costs	26,610	16,730
Refundable deposits	8,694	8,689
	₱78,488	₱539,933

Refundable deposits include deposits for leased office premises which will be refunded upon termination of the lease agreement.

13. Accounts Payable and Other Liabilities and Other Noncurrent Liabilities

Accounts Payable and Other Liabilities

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Accrued interest (Note 16)	₱143,988	₱231,392
Accrued expenses (Note 16)	140,466	56,539
Accounts payable	50,111	63,202
Customers' deposits	40,434	41,105
Dividends payable (Note 15)	21,871	8,695
Others (Note 16)	19,070	21,019
	₱415,940	₱421,952

Accrued interest expense pertains to interest on bonds and bank loans payable of the Parent Company (see Note 14).



Accrued expenses pertain to various operating expenses incurred by the Parent Company in the course of business such as employee benefits and utilities expense, among others.

Accounts payable includes liability to contractors. These are noninterest-bearing and are expected to be settled within a year.

Customers' deposits include contract liabilities representing payments received by the Parent Company from the customers for which revenue recognition has not yet commenced, security deposits required by lease agreements which can be recovered upon termination of the lease agreements through refund or application to unpaid rent and/or other charges, and utilities deposits.

Others include subscription payable, withholding taxes and other statutory contributions.

Other Noncurrent Liabilities

This account consists of:

	2025	2024
	(In Thousands)	
Retention fee payables	₱66,719	₱45,699
Others (Note 23)	53,913	585,670
	₱120,632	₱631,369

Retention fee payables pertain to the amount withheld from the progress billings of the contractors and is released generally one (1) year from completion of the construction agreement.

Others include provision for probable losses.

14. Long-term Debt

This account consists of:

	2025	2024
	(In Thousands)	
Bank loans	₱10,677,635	₱23,050,162
Philippine peso bonds	9,968,309	9,918,241
	₱20,645,944	₱32,968,403

Bank loans

The Parent Company availed fixed-rate bank loans that bear interest ranging from 2.5% to 6.6% per annum with varying maturity dates up to 2030.

Fixed-rate bonds

On February 7, 2024, the Parent Company issued fixed-rate Philippine peso bonds with aggregate principal amount of ₱10.0 billion which is a 2.5-year bonds with interest of 6.32% per annum and due in 2026. Interest is payable quarterly in arrears starting on May 7, 2024.

On January 14, 2014, the Parent Company issued fixed-rate Philippine peso bonds with aggregate principal amount of ₱8.8 billion which is a 10-year bonds with interest of 6.15% per annum. This became due and was paid in 2024.



The roll-forward analysis of long-term debt is as follows:

	2025	2024
	<i>(In Thousands)</i>	
Principal		
Balance at beginning of year	₱33,083,633	₱32,599,792
Availments	2,500,000	18,800,500
Payments	(14,883,133)	(18,316,659)
Balance at end of year	20,700,500	33,083,633
Debt issue costs		
Balance at beginning of year	115,230	71,409
Additions	11,846	127,106
Amortizations	(72,520)	(83,285)
Balance at end of year	54,556	115,230
	₱20,645,944	₱32,968,403

Below are the current and noncurrent portion of the long-term debt:

	2025	2024
	<i>(In Thousands)</i>	
Current	₱16,792,977	₱13,775,673
Noncurrent	3,852,967	19,192,730
	₱20,645,944	₱32,968,403

Interest incurred on long-term debt amounted to ₱1.5 million and ₱1.7 million in 2025 and 2024, respectively.

Debt Covenant

The Parent Company's long-term debt requires maintaining certain financial ratios including debt-to-equity ratio of not more than 2.50x to 3.0x, minimum current ratio of 2.0x, interest coverage ratio of not less than 1.50x and minimum debt service coverage ratio of 1.0x. These are calculated based on the consolidated financial statements of the Parent Company and its subsidiaries as defined in the agreement.

The loan agreements also provide restrictions and certain requirements with respect to, among others, making any distribution on its share capital, purchase, redemption or acquisition of any share of the Parent Company, incurrence or assumption of indebtedness outside the ordinary course of business, sale or transfer and disposal of all or a substantial part of its capital assets, utilization of funds, and entering into any partnership, merger, consolidation or reorganization.

As of December 31, 2025 and 2024, the Parent Company has complied with these contractual agreements and has not been cited in default on its outstanding loan obligations.



15. Equity

Capital Stock

The details of the Parent Company's common and preferred shares as of December 31, 2025 and 2024 (shares in thousands, except par value figures) are as follows:

	Common Shares	Preferred Shares
Authorized shares	15,000,000	2,000,000
Par value per share	₱1	₱1
Issued shares	9,319,872	8,000
Treasury shares	671,409	—

On December 22, 1982, the Philippine SEC approved the registration of 5,300,000 shares, divided into 5,200,000 Class A shares, and 100,000 class B shares with par value of ₱10 per share.

On April 13, 1992, the Philippine SEC approved the registration of 144,575,000 common shares with par value of ₱10 per share.

On March 10, 1993, the Philippine SEC approved the reduction of par value from ₱10 to ₱5 per share of the Parent Company's common shares which at that time consisted of ₱1,500 million authorized common stocks divided into 90,000,000 shares of Class "A" common shares and 60,000,000 shares of Class "B" common shares.

On December 20, 1993, the stockholders approved the reduction of the par value per share from ₱5 to ₱1 and to declassify the Parent Company's capital stock.

On October 15, 2010, the stockholders and BOD of the Parent Company approved the increase in its authorized capital stock of the Parent Company from ₱10,000.0 million, divided into 10,000 million common shares with a par value of ₱1 per share to ₱17,000.0 million, divided into 15,000 million common shares with a par value of ₱1 per share and 2,000 million non-voting and redeemable preferred shares with a par value of ₱1 per share. Article Seven of the Amended Articles of Incorporation of the Parent Company was amended to effect the increase in the authorized capital stock of the Parent Company.

On August 19, 2011, the Philippine SEC approved the increase in the authorized capital stock of the Parent Company.

The preferred shares have the following features:

- not entitled to any voting right or privilege, except in those cases expressly provided by law;
- redeemable subject to the terms and conditions to be fixed by the BOD;
- entitled to dividends at the rate to be determined by the BOD prior to the issuance of shares, to be payable out of the surplus profits of the Corporation so long as the preferred shares are outstanding; and
- may be subject to such other additional terms and conditions to be fixed by the BOD.

On August 8, 2025, the Parent Company issued and listed 8,000,000 cumulative, non-voting, non-convertible, redeemable and re-issuable perpetual preferred shares with ₱1 par value, at an issue price of ₱1,000 per share.



As of December 31, 2025, the preferred stock and additional paid-in capital recognized from the issuance amounted to ₱8.0 million and ₱7,921.9 million, respectively. Shares issued for Series A (FDCPA) and Series B (FDCPB) are 2,310,015 shares and 5,689,985 shares, respectively. The related stock issuance costs amounted to ₱70.1 million.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31:

	Shares		Amount	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Authorized:				
Common stock – ₱1 par value	15,000,000	15,000,000		
Preferred stock – ₱1 par value	2,000,000	2,000,000		
Issued and outstanding:				
Common stock	8,648,463	8,648,463	₱9,319,872	₱9,319,872
Preferred stock	8,000	–	8,000	–
			₱9,327,872	₱9,319,872

Note: Exclusive of 671,409,400 treasury shares as of December 31, 2025 and 2024.

Treasury Shares

There was no movement in treasury shares for the years ended December 31, 2025 and 2024.

Dividend Declaration

On October 9, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱16.563 per share and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of October 23, 2025 and paid on November 8, 2025.

On April 25, 2025, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.14027 per share for every common share of record as of May 19, 2025 and paid on June 10, 2025.

On April 26, 2024, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024 and partially paid on June 11, 2024.

Retained Earnings

In accordance with the Revised Securities Regulation Code Rule 68, the Parent Company's retained earnings available for dividend declaration as at December 31, 2025 after reconciling items amounted to ₱11,495.8 million.

The Parent Company's retained earnings that are restricted for the payment of dividends to the extent of the cost of treasury shares amounted ₱3,614.5 million as of December 31, 2025 and 2024.

16. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.



All material Related Party Transactions (“RPT”) with a transaction value that reaches 10% of the Parent Company’s total assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions (“Policy”). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Unless otherwise stated, outstanding balances at year-end are unsecured, interest-free and require settlement in cash. As of December 31, 2025 and 2024, the Parent Company has made an allowance for impairment loss relating to amounts owed by related parties amounting to ₱25.56 million and ₱10.85 million, respectively. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant transactions with related parties are as follows:

(a) *Cash and cash equivalents*

The Parent Company maintains cash and short-term deposit accounts with EWBC, a subsidiary bank. Cash and cash equivalents earn interest at the prevailing short-term investment rates.

(b) *Receivables*

The Parent Company entered into a lease agreement as a lessor, with MSSSI, Duawon Seascapes Resort, Inc. (DSRI), and FDC Water Utilities, Inc. (FWUI).

For MSSSI, the term of the use of its building and properties is for 20 years starting January 1, 2017, renewable for another 25-year term. MSSSI agreed to pay the Parent Company a monthly minimum rent with 3.0% escalation rate every five (5) years or based on 20.0% of gross revenues, whichever is higher.

For DSRI, the land being leased out is for 15 years starting July 1, 2019, renewable for another 25 years, with ₱1.0 million monthly fixed lease for the first two (2) years; whichever is lower between the sum of monthly fixed lease of ₱1.0 million and variable lease based on 4.0% of gross operating revenue or the 5.0% of the gross operating revenues for the next four (4) years; and whichever is lower between the sum of monthly fixed lease of ₱1.0 million and variable lease based on 9.0% of gross operating revenue or the 10.0% of the gross operating revenues for the remaining nine (9) years.

For FWUI, the land being leased out is for 30 years starting January 1, 2022, with a rent-free period of three (3) months and a ₱0.7 million monthly fixed rent for the first year commencing on January 1, 2022, subject to annual escalation rate of 5.0%. Additional land was being leased out for 30 years, with a rent-free period of three (3) months and ₱0.7 million and ₱1.1 million monthly rent for first year commencing July 1, 2023, subject to annual escalation rate of 5.0%.



(c) *Due to/from related parties*

- Due to/from related parties consist mostly of share of the related parties in various common expenses.
- The Parent Company recognizes dividend income from its investments in subsidiaries when the Parent Company's right to receive payment is established (see Note 18). Outstanding or uncollected dividend receivable is included under due from related parties account in the parent company statements of financial position.
- The Parent Company recognizes management and service fee based on percentage of the joint venture sales arising from assignment of its rights to the joint venture to FAI. Management and service fees amounted to ₱30.6 million and ₱37.4 in 2025 and 2024, respectively.

(d) *Deferred income*

The Parent Company amortized the deferred income from the property and investment exchange transaction with subsidiaries over a certain period which is the subject of exchange. In 2025, the Parent Company recognized the remaining deferred income amounting to ₱386 million which was included in "Miscellaneous income" under "Other income" line item in the parent company statement of income.

(e) *Long-term debt*

The Parent Company has outstanding bank loans payable to EWBC.

(f) *Lease liabilities*

The Parent Company entered into a lease contracts for its office spaces with its related parties, with a lease term ranging from three (3) to 10 years (see Note 23).

(g) *Key management personnel*

The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱221.0 million and ₱135.4 million in 2025 and 2024, respectively. Post-employment benefits of key management personnel amounted to ₱37.4 million and ₱30.1 million in 2025 and 2024, respectively.

The amounts and the balances arising from the foregoing significant related party transactions are as follows:

	2025				
	Amount/ Volume	Due from/ (Due to)		Terms	Conditions
	(In Thousands)				
Subsidiaries					
Cash and cash equivalents ^(a) (Note 4)					
• Cash in banks	₱—	₱1,650,827		Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Cash equivalents	—	883		Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Interest income	58,910	—			
Rent receivables ^(b) (Note 5)					
• Rental income (Note 10)	196,156	76,480	15 to 30-year lease term; renewable for another 15 - 25 years		Unsecured; no impairment
Due from related parties ^(c)	—	1,092,769		Noninterest bearing and due on demand, except for ₱312.0 million aggregate advances with interest rates ranging from 6.40% to 7.53% per annum	Unsecured; with impairment of ₱25.56 million
• Sharing of expenses	113,865	—		—	—
• Operational advances	316,000	—		—	—
• Dividend income (Notes 9 and 18)	5,646,647	—		—	—

(Forward)



2025				
	Amount/ Volume	Due from/ (Due to)	Terms	Conditions
• Interest income	₱22,943	₱—	—	—
• Management and service fees	30,618	—	—	—
• Other income	13,922	—	—	—
Deferred income ^(d)			Amortized life over useful life of properties which is the subject of exchange	Unsecured
• Miscellaneous income	386,189	—	—	—
Long-term debt ^(e)			—	—
• Interest expense	161,968	—	—	—
Accounts payable and other liabilities			Noninterest bearing; due and demandable	Unsecured
• Sharing of expenses	10,273	—	—	—
Lease liabilities ^(h) (Note 23)		157,419	—	—
• Interest expense	5,107	—	—	—
2024				
	Amount/ Volume	Due from/ (Due to)	Terms	Conditions
(In Thousands)				
Subsidiaries				
Cash and cash equivalents ^(a) (Note 4)				
• Cash in banks	₱—	₱2,175,634	Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Cash equivalents	—	1,394,966	Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Interest income	145,781	—	—	—
Rent receivables ^(b) (Note 5)				
• Rental income (Note 10)	199,757	60,666	15 to 30-year lease term; renewable for another 15 - 25 years	Unsecured
Due from related parties ^(c)	—	425,035	Noninterest bearing and due on demand, except for ₱253.9 million aggregate advances with interest rates ranging from 6.1% to 7.0% per annum	Unsecured; with impairment of ₱10.85 million
• Sharing of expenses	79,090	—	—	—
• Operational advances	40,570	—	—	—
• Dividend income (Notes 9 and 18)	4,113,932	—	—	—
• Interest income	13,085	—	—	—
• Management and service fees	37,434	—	—	—
• Other income	6,831	—	—	—
Deferred income ^(d)	₱—	₱385,754	Amortized life over useful life of properties which is the subject of exchange	Unsecured
• Finance charge	48,274	—	—	—
Long-term debt ^(e)	—	4,842,800	With interest rate of 4.8%, payable in September 2025	Secured
• Interest expense	230,033	—	—	—
Accounts payable and other liabilities	—	84,746	Noninterest bearing; due and demandable	Unsecured
• Sharing of expenses	10,325	—	—	—
Due to related parties ^(c)				
• Sharing of expenses	—	889	Noninterest bearing; due and demandable	—
Lease liabilities ^(h) (Note 23)		30,859	—	—
• Interest expense	2,648	—	—	—



17. Operating Expenses

This account consists of:

	2025	2024
	<i>(In Thousands)</i>	
Provision for impairment loss (Notes 9 and 16)	₱2,982,724	₱1,705,236
Salaries, wages, and employee benefits	400,916	307,722
Professional fees	38,729	47,448
Entertainment, amusement and recreation	24,202	23,265
Dues and subscription	23,275	15,091
Transportation	21,928	22,461
Utilities and communication	32,608	5,920
Taxes and licenses	17,638	7,380
Amortization of ROU assets (Note 23)	17,226	5,495
Retirement expense (Note 19)	9,977	19,625
Security and janitorial services	9,698	9,195
Rent (Note 23)	9,496	4,716
Depreciation (Notes 10 and 11)	8,710	1,312
Stockholders' relations	6,577	3,638
Repairs and maintenance	5,799	3,133
Casualty loss (Note 10)	—	134,875
Others	96,963	43,377
	₱3,706,466	₱2,359,889

Professional fees pertain to expenses incurred by the Parent Company for legal, consultancy and audit services.

Others include office supplies, insurance, costs and charges incurred by the Parent Company for corporate events, and other fees.

18. Dividend Income

This account consists of:

Investee	Date of declaration	Total dividends <i>(In Thousands)</i>	Date of record
Subsidiaries			
FAI	March 12, 2025	₱400,000	March 12, 2025
FAI	June 16, 2025	400,000	June 30, 2025
FAI	September 25, 2025	400,000	September 25, 2025
FAI	November 26, 2025	400,000	December 15, 2025
FLI-common	April 24, 2025	796,330	May 30, 2025
FLI-preferred	April 24, 2025	4,000	June 30, 2025
FUI	June 25, 2025	558,750	June 30, 2025
FUI	September 3, 2025	100,000	September 25, 2025
FUI	December 5, 2025	150,000	December 5, 2025
EWBC	April 24, 2025	612,092	May 30, 2025
FVI	April 30, 2025	579,000	May 30, 2025
PSHC	July 21, 2025	400,000	November 14, 2025
PSHC	December 3, 2025	300,000	December 19, 2025
PSHC	December 3, 2025	200,000	December 19, 2025
FMPC	June 25, 2025	341,250	June 30, 2025
Joint venture			
PROMEI	September 25, 2025	5,225	October 9, 2025
		₱5,646,647	



	Date of declaration	Total dividends (In Thousands)	Date of record
Subsidiaries			
FAI	May 31, 2024	₱200,000	April 23, 2024
FAI	August 31, 2024	200,000	July 31, 2024
FAI	October 31, 2024	200,000	October 18, 2024
FAI	December 17, 2024	360,000	December 17, 2024
FLI-common	April 19, 2024	793,123	May 13, 2024
FLI-preferred	April 19, 2024	4,000	May 13, 2024
FUI	October 28, 2024	658,750	November 15, 2024
EWBC	April 19, 2024	486,073	May 17, 2024
FVI	May 15, 2024	468,086	May 17, 2024
FMPC	October 28, 2024	341,250	November 15, 2024
PSHC	June 24, 2024	400,000	September 30, 2024
PPMI	June 30, 2024	750	June 30, 2024
Joint venture			
PROMEI	September 4, 2024	1,900	September 4, 2024
		₱4,113,932	

19. Retirement Benefits

The Parent Company has a funded, noncontributory defined benefit retirement plan (the “Plan”) covering full-time regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The retirement plan provides retirement benefits equivalent to 100% of the final monthly basic salary per year of credited service. The funds are administered by the Parent Company’s Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan. Republic Act No. 7641, or the *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees provided that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Parent Company updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.

Changes to the net retirement liabilities (assets) recognized in the parent company statements of financial position are as follows:

	2025		Net Defined Benefit Liabilities
	Present Value of DBO	Fair Value of Plan Asset	
	(In Thousands)		
Balances as at beginning of year	₱80,175	₱31,632	₱48,543
Net benefit costs in profit or loss			
Current service cost	6,851	—	6,851
Interest cost	4,971	—	4,971
Interest income	—	1,845	(1,845)
	11,822	1,845	9,977
Remeasurements in other comprehensive income			
Return on plan assets, excluding interest income	—	(2,031)	2,031
Actuarial gain on defined benefit obligation	(69,834)	—	(69,834)
Effect of asset ceiling	656	—	656
	(69,178)	(2,031)	(67,147)
Benefits paid	(3,751)	(3,751)	—
Balances as at end of year	₱19,068	₱27,695	(₱8,627)



	2024		
	Present Value of DBO	Fair Value of Plan Asset	Net Defined Benefit Liabilities
		<i>(In Thousands)</i>	
Balances as at beginning of year	₱167,168	(₱134,080)	₱33,088
Net benefit costs in profit or loss			
Current service cost	16,788	—	16,788
Interest cost	4,861	—	4,861
Interest income	—	(2,024)	(2,024)
	21,649	(2,024)	19,625
Remeasurements in other comprehensive income			
Return on plan assets, excluding interest income	—	1,147	1,147
Actuarial gain on defined benefit obligation	(5,317)	—	(5,317)
	(5,317)	1,147	(4,170)
Benefits paid	(103,325)	103,325	—
Balances as at end of year	₱80,175	(₱31,632)	₱48,543

The cost of defined benefit retirement plan as well as the present value of the retirement liability are determined using actuarial valuation, which involves making various assumptions.

The principal assumptions used in determining retirement liability for the defined benefit retirement plan are as follows:

	2025	2024
Discount rate	6.2%	6.2%
Salary increase rate	5.5%	6.0%

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

The sensitivity analysis for significant assumptions as at December 31 is shown below:

	2025		2024	
	Increase (Decrease) in Basis Points	Increase on DBO	Increase (Decrease) in Basis Points	Increase on DBO
		<i>(In Thousands)</i>		<i>(In Thousands)</i>
Discount rates	+100	(₱702)	+100	(₱5,370)
	-100	772	-100	6,268
Salary rates	+100	770	+100	6,218
	-100	(713)	-100	(5,427)



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

	2025	2024
	<i>(In Thousands)</i>	
Within one year	₱11,976	₱47,513
More than one year up to five years	8,318	11,331
More than five years and beyond	20,375	55,340

The Parent Company does not expect to contribute to the plan in 2026.

20. Income Tax

Provision for income tax consists of:

	2025	2024
	<i>(In Thousands)</i>	
Current	₱12,186	₱7,862
Deferred	41,020	2,951
	₱53,206	₱10,813

The current provision for income tax represents MCIT in 2025 and 2024.

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax as shown in the parent company statements of income follows:

	2025	2024
	<i>(In Thousands)</i>	
Provision for income tax at statutory income tax rate	₱296,757	₱165,458
Adjustments for:		
Nondeductible provision for impairment loss	745,681	426,309
Net movement in unrecognized deferred tax assets	446,129	446,009
Nondeductible interest expenses and others	22,700	19,407
Nondeductible casualty losses	—	33,719
Income subject to capital gains tax	(12,115)	—
Interest income subjected to final tax	(34,284)	(51,606)
Nontaxable dividend income	(1,411,662)	(1,028,483)
Provision for income tax	₱53,206	₱10,813

The components of the Parent Company's net deferred tax assets are as follows:

	2025	2024
	<i>(In Thousands)</i>	
<i>Deferred tax assets on:</i>		
Unamortized past service cost	₱40,360	₱46,229
Lease liabilities	39,355	7,715
Retirement liabilities	15,673	13,178
Provision for accrual	1,506	1,506
Allowance for impairment loss	6	6
Actuarial losses in OCI	—	5,728
	96,900	74,362



	2025	2024
	<i>(In Thousands)</i>	
<i>Deferred tax liabilities on:</i>		
ROU assets	(P37,846)	(P5,425)
Revaluation increment on land	(16,547)	(16,547)
Actuarial gains in OCI	(11,059)	—
Straight-line adjustments on rental income	(8,880)	(6,816)
Unrealized foreign exchange gains - net	(781)	(5,022)
Others	(39,042)	—
	(114,155)	(33,810)
	(P17,255)	P40,552

Deferred tax assets are recognized only to the extent that future taxable income will be available against which the deferred tax assets can be used.

The Parent Company did not recognize deferred tax assets on the following deductible temporary differences, NOLCO and MCIT since management believes that their carryforward benefits may not be realized.

	2025	2024
	<i>(In Thousands)</i>	
NOLCO	P6,723,979	P6,311,549
MCIT	21,298	15,355

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of the Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”) which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The carryforward benefits of NOLCO which can be claimed as deductions from the regular taxable income, and MCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	NOLCO	MCIT	Expiry Date
	<i>(In Thousands)</i>		
2025	P1,579,604	P12,186	December 31, 2028
2024	1,752,589	7,861	December 31, 2027
2023	1,684,083	1,251	December 31, 2026
2021	1,707,703	—	December 31, 2026*
	P6,723,979	P21,298	

*December 31, 2026 for NOLCO



The movements in NOLCO and MCIT are as follows:

	NOLCO		MCIT	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Balances at beginning of year	₱6,311,549	₱4,558,960	₱15,355	₱8,600
Addition	1,579,604	1,752,589	12,186	7,862
Expiration	(1,167,174)	—	(6,243)	(1,107)
Balances at end of year	₱6,723,979	₱6,311,549	₱21,298	₱15,355

21. Fair Value Measurement and Financial Risk Management Objectives and Policies

Fair Value Measurement

The following table sets forth the fair value hierarchy of the Parent Company's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2025				
	Fair Value				
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<i>(In Thousands)</i>				
Assets measured at fair value					
Financial assets at FVOCI (Note 8)					
Quoted	₱353,800	₱353,800	₱—	₱353,800	₱—
Assets for which fair values are disclosed					
Financial assets at amortized cost					
Receivables					
Contract receivables (Note 5)	4,273	4,273	—	—	4,273
Refundable deposits (Note 12)	8,694	8,694	—	—	8,694
	12,967	12,967	—	—	12,967
Nonfinancial assets					
Investment properties (Note 10)	2,206,016	4,064,512	—	—	4,064,512
Total assets	₱2,572,783	₱4,431,279	₱—	₱353,800	₱4,077,479
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and other liabilities* (Note 13)	₱506,933	₱506,933	₱—	₱—	₱506,933
Long-term debt (Note 14)	20,645,944	19,474,604	—	—	19,474,604
Total liabilities	₱21,152,877	₱19,981,537	₱—	₱—	₱19,981,537

*Excluding statutory payables and contract liabilities

	2024				
	Fair Value				
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<i>(In Thousands)</i>				
Assets measured at fair value					
Financial assets at FVOCI (Note 8)					
Investments in shares of stock					
Quoted	₱370,168	₱370,168	₱369,800	₱368	₱—
Unquoted	20,148	20,148	—	—	20,148
	390,316	390,316	369,800	368	20,148
Assets for which fair values are disclosed					
Financial assets at amortized cost					
Receivables					
Contract receivables (Note 5)	4,333	4,333	—	—	4,333
Refundable deposits (Note 12)	8,689	8,689	—	—	8,689
	13,022	13,022	—	—	13,022
Nonfinancial assets					
Investment properties (Note 10)	2,146,627	2,245,887	—	—	2,245,887
Total assets	₱2,549,965	₱2,649,225	₱369,800	₱368	₱2,279,057

(Forward)



	2024				
	Carrying Value	Total	Fair Value		
			Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and other liabilities* (Note 13)	₱1,021,297	₱1,021,297	₱–	₱–	₱1,021,297
Long-term debt (Note 14)	32,968,403	30,878,524	–	–	30,878,524
Total liabilities	₱33,989,700	₱31,899,821	₱–	₱–	₱31,899,821

*Excluding statutory payables and contract liabilities

The methods and assumptions used by the Parent Company to estimate the fair value of financial instrument are:

- *Cash and cash equivalents and contract receivables:* Due to the short-term nature of these accounts, their fair values approximate their carrying amounts.
- *Financial assets at FVOCI:* Fair values were determined using quoted market prices at reporting date. The costs of financial assets at FVOCI not quoted in an active market approximate fair values since there is insufficient information available to determine the fair values and there are no indicators that cost might not be representative of fair values.
- *Accounts payable and other liabilities:* Due to the short-term nature of these accounts, fair values approximate their carrying amounts.
- *Long-term debt:* Estimated fair value on debts with fixed interest and not subjected to quarterly repricing was based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk. Discount rate for the determination of fair values ranges from 5.0% to 5.6% and 6.0% to 6.2% in 2025 and 2024, respectively.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the years ended December 31, 2025 and 2024.

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments are composed of cash and cash equivalents, receivables, due from and due to related parties, financial assets at FVOCI, refundable deposits, accounts payable and other liabilities and long-term debts. The main purpose of these financial instruments is to raise financing for the Parent Company's operations.

The main objectives of the Parent Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

The Parent Company's BOD reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. The Parent Company's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Parent Company's financial instruments are liquidity risk, credit risk and foreign currency risk.



Liquidity risk

The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Parent Company's policy is to manage its cash flows by continuously monitoring the cash flows for interest payment and bank and notes principal payment.

The tables below show the maturity profile of the Parent Company's financial liabilities as of December 31, 2025 and 2024 based on contractual undiscounted payments:

	2025						
	On Demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
	(In Thousands)						
Financial liabilities at amortized cost							
Accounts payable and other liabilities							
Accounts payable	₱—	₱12,324	₱37,787	₱—	₱—	₱—	₱50,111
Accrued interest	—	143,988	—	—	—	—	143,988
Customers' deposits*	—	—	29,677	—	—	—	29,677
Dividends payable	21,871	—	—	—	—	—	21,871
Other payables*	—	—	188	—	—	—	188
Lease liabilities	6,123	9,184	27,585	115,993	20,718	—	179,603
Long-term debt	—	—	16,300,000	2,900,500	1,500,000	—	20,700,500
Future interest payable	—	859,383	393,203	20,242	—	—	1,272,828
Other noncurrent liabilities							
Retention fees payable	—	—	—	66,719	—	—	66,719
	₱27,994	₱1,024,879	₱16,788,440	₱3,103,454	₱1,520,718	₱—	₱22,465,485

*Exclude nonfinancial liabilities.

	2024						
	On Demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
	(In Thousands)						
Financial liabilities at amortized cost							
Accounts payable and other liabilities							
Accounts payable	P–	P154	P63,048	P–	P–	P–	P63,202
Accrued interest	–	231,392	–	–	–	–	231,392
Customers’ deposits*	–	–	30,348	–	–	–	30,348
Dividends payable	8,695	–	–	–	–	–	8,695
Other payables*	188	–	–	–	–	–	188
Due to related parties	889	–	–	–	–	–	889
Lease liabilities	–	2,179	6,632	27,401	–	–	36,212
Long-term debt	–	–	13,783,133	18,767,167	533,333	–	33,083,633
Future interest payable	–	1,330,244	931,046	13,020	–	–	2,274,310
Other noncurrent liabilities							
Retention fee payable	–	–	–	45,699	–	–	45,699
	P9,772	P1,563,969	P14,814,207	P18,853,287	P533,333	P–	P35,774,568

*Exclude nonfinancial liabilities.

The tables below summarize the maturity profile of the Parent Company's financial assets held to manage liquidity as of December 31, 2025 and 2024:

	2025				
	On Demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	Total
	(In Thousands)				
Financial assets at amortized cost					
Cash and cash equivalents	₱3,326,604	₱–	₱–	₱–	₱3,326,604
Receivables					
Rent receivables	–	40,960	–	35,520	76,480
Interest receivables	–	18,228	–	–	18,228
Contract receivables	4,273	–	–	–	4,273
Others	10,354	–	–	–	10,354
Due from related parties	780,769	–	312,000	–	1,092,769
	4,122,000	59,188	312,000	35,520	4,528,708
Financial assets at FVOCI					
Investments in shares of stocks					
Quoted	–	–	–	353,800	353,800
	₱4,122,000	₱59,188	₱312,000	₱389,320	₱4,882,508



	2024				
	On Demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	Total
	(In Thousands)				
Financial assets at amortized cost					
Cash and cash equivalents	₱2,178,035	₱3,277,044	₱—	₱—	₱5,455,079
Receivables		—			
Rent receivables	—	33,401	—	27,265	60,666
Interest receivables	—	11,105	—	—	11,105
Contract receivables	4,333	—	—	—	4,333
Others	2,737	—	—	—	2,737
Due from related parties	425,035	—	—	—	425,035
	2,610,140	3,321,550	—	27,265	5,958,955
Financial assets at FVOCI					
Investments in shares of stocks					
Quoted	—	—	—	301,368	301,368
Unquoted	—	—	—	20,148	20,148
	—	—	—	321,516	321,516
	₱2,610,140	₱3,321,550	₱—	₱348,781	₱6,280,471

Credit risk

It is the Parent Company's policy that buyers who wish to avail of the in-house financing scheme are subject to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk.

With respect to credit risk arising from the other financial assets of the Parent Company, which comprise cash and cash equivalents and interest receivable, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Parent Company's high-grade receivables pertain to rent receivables and interest receivable from related parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Parent Company has not noted any extraordinary exposure which calls for a substandard grade classification.

Foreign currency risk

Foreign 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 Parent Company's principal transactions are carried out in Philippine Peso (₱) but maintain a minimal balance of foreign currency. The Parent Company's currency risk arises mainly from foreign currency-denominated cash and cash equivalents and interest receivable.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. Dollar (USD) exchange rate, with all other variables held constant, of the Parent Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase (decrease) in US dollar rate	Effect on income before income tax (In Thousands)
2025	1.62%	₱20,481
	-1.62%	(20,481)
2024	4.86%	₱24,370
	-4.86%	(24,370)



The Parent Company used closing rates used are ₱58.79 and ₱57.85 as of December 31, 2025 and 2024. There is no other impact on the Parent Company's equity other than those already affecting the profit or loss.

22. Capital Management

Objective

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder's value.

Policies and Procedures

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives and policies of processes during the years ended December 31, 2025 and 2024.

The Parent Company monitors capital using a gearing ratio which is long-term debt divided by total equity. The Parent Company's policy is to keep the debt-to-equity ratio not to exceed 2:1.

	2025	2024
	(In Thousands)	
Long-term debt (Note 14)	₱20,645,944	₱32,968,403
Total equity	41,233,328	33,487,780
Debt-to-equity ratio	0.5:1	0.98:1

23. Lease Commitments

Operating leases - Parent Company as lessor

The Parent Company has future minimum rental receivable under renewable operating leases as of December 31 as follows:

	2025	2024
	(In Thousands)	
Within 1 year	₱187,733	₱160,975
After 1 year but not more than 5 years	750,930	643,900
More than 5 years	1,419,733	1,232,429
	₱2,358,396	₱2,037,304

The Parent Company entered into lease agreements with MSSI and DSRI, covering land, building and properties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. The lease contracts with MSSI and DSRI are renewable for another 25-year term.

On January 1, 2022, the Parent Company entered into a lease agreement with FWUI to lease land properties for a 30-year term. These leases provide fixed monthly rent with 5% escalation rate every year.



On July 1, 2023, the Parent Company entered into other lease agreements with FWUI, to lease land properties for a 30-year term. These leases provide fixed monthly rent with 5% escalation rate every year. The lease was terminated on June 30, 2024.

Rental income recognized based on either fixed monthly rent or a percentage of the gross revenue of tenants amounted to ₱196.9 million and ₱199.8 million in 2025 and 2024, respectively.

Operating leases - Parent Company as lessee

The Parent Company has lease contracts for its office spaces. The Parent Company has entered into lease arrangements with a lease term ranging from three (3) to 10 years.

In 2025, the Parent Company entered into a five-year lease contract with East West Banking Corporation for the lease of office space, commencing on July 1, 2025. This lease provides fixed monthly rent with 5% escalation per annum beginning on the third year of the lease term.

On May 1, 2024, the Parent Company entered into a three-year lease agreement with Filinvest REIT Corp. (FILRT) for the lease of office space, renewable for another three (3) years. These leases provide fixed monthly rent with 5% escalation rate every year.

The roll-forward analysis of ROU assets as of December 31 follows:

	2025	2024
	<i>(In Thousands)</i>	
Cost		
Balances at beginning of year	₱51,495	₱48,949
Additions	164,164	2,546
Termination	(48,949)	—
Balances at end of year	166,710	51,495
Accumulated Amortization		
Balances at beginning of year	29,796	24,301
Amortization (Note 17)	17,226	5,495
Termination	(31,695)	—
Balances at end of year	15,327	29,796
Net Book Value	₱151,383	₱21,699

The roll-forward analysis of lease liabilities as of December 31 follows:

	2025	2024
	<i>(In Thousands)</i>	
Balances at beginning of year	₱30,859	₱33,771
Additions	164,164	2,546
Accretion of interest expense	5,107	2,648
Payments	(16,699)	(8,106)
Termination	(26,012)	—
Balances at end of year	₱157,419	₱30,859
Lease liabilities - current portion	₱42,805	₱6,511
Lease liabilities - noncurrent portion	₱114,614	₱24,348



The following are the amounts recognized in the parent company statements of income:

	2025	2024
	<i>(In Thousands)</i>	
Amortization expense of ROU assets (Note 17)	₱17,226	₱5,495
Rent expense - short-term leases (Note 17)	9,496	4,716
Interest expense on lease liabilities	5,107	2,648

Shown below is the maturity analysis of the undiscounted lease payments as of December 31:

	2025	2024
	<i>(In Thousands)</i>	
Within 1 year	₱42,892	₱8,811
After 1 year but not more than 5 years	136,711	27,401
	₱179,603	₱36,212

24. Notes to Parent Company Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

	2025			
	January 1	Cash flows	Noncash movement	December 31
	<i>(In Thousands)</i>			
Long-term debt (Note 14)	₱32,968,403	(₱12,383,133)	₱60,674	₱20,645,944
Accrued interest (Note 13)	231,392	(1,560,952)	1,473,548	143,988
Dividends payable (Notes 14 and 15)	8,695	(1,339,327)	1,352,503	21,871
Lease liabilities (Note 23)	30,859	(16,699)	143,259	157,419
Due to related parties (Note 16)	889	(889)	—	—
Total liabilities from financing activities*	₱33,240,238	(₱15,301,000)	₱3,029,984	₱20,969,222

*Excluding proceeds from issuance of preferred shares - net of stock issuance costs

	2024			
	January 1	Cash flows	Noncash movement	December 31
	<i>(In Thousands)</i>			
Long-term debt (Note 14)	₱32,528,383	₱356,735	₱83,285	₱32,968,403
Accrued interest (Note 13)	233,669	(1,664,318)	1,662,041	231,392
Dividends payable (Note 15)	—	(886,075)	894,770	8,695
Lease liabilities (Note 23)	33,771	(8,106)	5,194	30,859
Due to related parties (Note 16)	722	167	—	889
Total liabilities from financing activities	₱32,796,545	(₱2,201,597)	₱2,645,290	₱33,240,238

Noncash movements include the effects of amortization of debt issuance costs (see Note 14), accretion of interest from lease liabilities (see Note 23) and declaration of cash dividends (see Note 15).



The Group's noncash operating and investing activities include:

- Reclassification from real estate inventories to investment properties amounting to ₱92.8 million (see Note 6).
- Reclassification from accounts payable and other liabilities to other noncurrent assets amounting to ₱472.4 million.
- Reclassification from investments in shares of stock to due from related parties amounting to ₱14.7 million.

25. Subsequent Events

On January 9, 2026, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱16.563 per share and ₱17.772 per share for every preferred share Series A and B, respectively, of record as of January 23, 2026, which were paid on February 8, 2026.



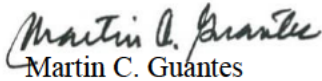
INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City 1634, Metro Manila

We have audited the parent company financial statements of Filinvest Development Corporation (the Parent 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 the Revised Securities Regulation Code Rule 68, we are stating that the above Parent Company has 3,932 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.


Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



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

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City 1634, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of Filinvest Development Corporation (the Parent Company) as at December 31, 2025 and 2024, and have issued our report thereon dated March 18, 2026. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Parent Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic parent company financial statements. This has been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

SEC Partner Accreditation No. 88494-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

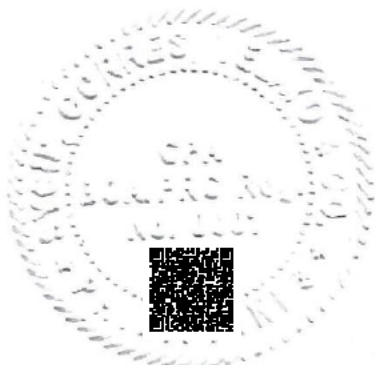
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765057, January 2, 2026, Makati City

March 18, 2026



FILINVEST DEVELOPMENT CORPORATION**ANNEX 68-D - RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION****DECEMBER 31, 2025**

(Amounts in Thousand Pesos)

Unappropriated Retained Earnings, beginning of reporting period		₱11,714,477
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	—	
Effect of restatements	—	
Others	—	
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,352,503	
Retained earnings appropriated during the reporting period	—	
Effect of restatements	—	
Others	—	1,352,503
Unappropriated Retained Earnings, as adjusted		10,361,974
Add/Less: Net income (loss) for the current year		1,133,820
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Sub-total		—
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		—

(Forward)

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱—	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—	
Sub-total		₱—

Adjusted Net Income/Loss		1,133,820
---------------------------------	--	------------------

Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—	
Sub-total		—

Add/Less: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others	—	
Sub-total		—

Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Others	—	
Sub-total	—	—

Total Retained Earnings, end of reporting period available for dividend		₱11,495,794
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2025 SUSTAINABILITY REPORT



2025 SUSTAINABILITY REPORT

About This Report

This integrated report of Filinvest Development Corporation covers the Filinvest Group's financial and non-financial (ESG) performance from January 1 to December 31, 2025.

The Environmental, Social, and Governance (ESG) disclosures in this report comply with the sustainability reporting guidelines for publicly-listed companies under Securities and Exchange Commission Memorandum Circular No. 4, Series of 2019 (SEC MC 2019-004), which primarily reference the Global Reporting Initiative (GRI) Standards, a widely used ESG reporting standard for over 20 years. This publication also includes select disclosure elements aligned with the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) Standards, specifically IFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS S2 – Climate-Related Disclosures. For reporting year 2025, FDC is not yet required by the SEC to fully adopt the IFRS/ISSB standards but Filinvest's preparation for transition to this new standard has commenced as early as 2024.

The ESG reporting scope is outlined in the introductory article of the sustainability report component of this publication.

This report includes forward-looking statements that rely on current assumptions, expectations, and assessments. These statements inherently involve risks and uncertainties—many of which are beyond the control of FDC or its subsidiaries—that may cause actual results, performance, or outcomes to differ materially from those expressed or implied. While FDC considers the assumptions and expectations reflected in these statements to be reasonable at the time of publication, the company makes no representation or warranty, whether explicit or implicit, regarding future performance, actions, or events.

FDC has sought third party assurance for ESG disclosures for the second year in a row and the assurance statement from DNV is found at the tail-end of the publication.

Feedback or inquiries about the annual report may be forwarded to ir@filinvestgroup.com.

Feedback or inquiries about non-financial (ESG) performance may be forwarded to sustainability@filinvestgroup.com.



Creating Shared Value In Filinvest With Value Co-Creators and Capital Providers

Filinvest strategically mobilizes all six capitals—financial, human, intellectual, manufactured, natural, and relationship—through integrated and adaptive business models that place stakeholders, not just shareholders, at the core of long-term value creation. By deepening collaboration with its diverse stakeholders and positioning them as co-creators of shared outcomes, the Group enables a cycle of “re-generation”: restoring, enhancing, and sustaining value across economic, social, and environmental dimensions.

Through prudent deployment of **financial capital**, Filinvest channels investments into sustainable developments, resilient infrastructure, and innovative solutions that contribute to inclusive economic growth. Its **human and intellectual capital** drive continuous improvement by cultivating talent, promoting knowledge-sharing, and institutionalizing forward-looking capabilities that strengthen organizational resilience and competitiveness.

The company’s **manufactured capital**, encompassing real estate, industrial and infrastructure assets, anchors

progress and delivers essential services that support communities and businesses. At the same time, Filinvest’s responsible management of **natural capital** reinforces its commitment to environmental protection, climate resilience, and resource regeneration, ensuring that ecosystems can continue to support business operations.

Leveraging robust **relationship capital**, Filinvest engages with customers, employees, communities, government partners, suppliers, lenders and investors to identify shared priorities and drive collaborative solutions. Through co-creation initiatives and partnerships grounded on Trust, the Group advances stakeholder well-being and builds mutually reinforcing value.

Guided by its mission to empower Filipinos in achieving their dreams, Filinvest contributes meaningfully to nation-building by promoting for economic growth enablers, nurturing the physical environment, fostering social inclusion, enhancing resilience and shaping a sustainable and regenerative future for all its stakeholders.

Capital	Value Creation Model	Value Delivered	UN SDG Supported by Filinvest
Financial Capital (as of Dec 31, 2025) Market Capitalization – PHP 47B Bank Loans – PHP 83B Bonds – PHP 43B Asset/Property valuation: PHP 552B	Financial Services - Loans and insurance services, with focus on consumer banking that serves retail customers and small businesses - Product delivery innovations such as digital channels to reach more unbanked customers and provide convenience and reliability and convenience	Financial Services - PHP 18B home loan portfolio - PHP 91B salary loan provided to teachers Real Estate - More than 200 residential developments since the start of the real estate business 2,168 affordable housing and condo units delivered in 2025	 

Capital	Value Creation Model	Value Delivered	UN SDG Supported by Filinvest
Human Capital Headcount of directly hired employees: 13,560 Men 5,903 Women 7,657 Intellectual Capital Institutional knowledge in banking and real estate development for nearly 70 years Specializations that Filinvest is known for: • Townships Development • Real Estate Design and Construction • Filipino-hospitality brand of hotel and F&B operations • Power plant operations • Energy sources development • Water and wastewater design and operations • Non-revenue water management • Sugar farm operations and milling	Real Estate • Full spectrum development of sustainable townships, vertical and horizontal residential projects, office spaces, retail spaces and industrial ready-built factories • Affordable housing brands that help address the housing backlog in the country • Leasing of certified sustainable office spaces • Retail spaces in strategic locations, supporting large retail brands and micro, small and medium enterprises (MSMEs) • Industrial and commercial spaces that support enterprises of various sizes Hospitality • Development of hotel assets in areas of high tourism potential • Development and expansion of F&B brands to complement hotel operations and expansion in spaces beyond hotel premises • Delivery of uniquely Filipino guest experiences across all hospitality brands of Filinvest	• 3 affordable housing projects launched in 2025, with a total of 345 housing units • Over 1,000,000 total m2 GLA in office and retail available for tenants • > 10 townships of more than 2,300 hectares • 24 green building certifications and pre-certifications, and a LEED certification for neighborhood development for Filinvest City Hospitality • 7 operating hotels with 1,836 keys and a 36-hole golf course • 256 keys in construction stage • 11 F&B brands (Baker J, Firehouse, Alibi, Azure, Mosaic, Saffron, Aka, Enye, Rare, Le Stelle, Hay Diner) • 817,055 guests in 2025, 52% of whom were international travelers • Employed a workforce of 1,391 Power Generation • Provided energy security to 19 distribution utilities in 17 provinces in Mindanao and the Visayas that serve 2.3 million energized households	7 AFFORDABLE AND CLEAN ENERGY  8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  11 SUSTAINABLE CITIES AND COMMUNITIES  12 RESPONSIBLE CONSUMPTION AND PRODUCTION  13 CLIMATE ACTION 
Manufactured Capital • 435 EastWest Bank's stores + 28 branch lites (incl. subsidiaries) • 526 ATMs nationwide • Office buildings with over 700,000 m2 GLA [both FILRT and non-FILRT]			

Capital	Value Creation Model	Value Delivered	UN SDG Supported by Filinvest
• 5 malls • Townships developed • 7 hotels and a golf course • 405MW capacity coal fired power plant • 3.34 MW total capacity of solar power installations • 59 water sources • 5 water treatment facilities • 4 sewage treatment plants • District Cooling Systems with total capacity of 11,000 tons of refrigeration • 2 sugar mills with total capacity of processing 11,000 tons of cane per day • Airport terminal with an annual capacity of 8 million passengers	Power Generation • Thermal-based power generation that contributes to the energy security of the Mindanao and Visayas grids • Retail electricity supply for institutional clients • Development of renewable power sources that help transition the country to a low-carbon economy Water and Wastewater • Water supply and wastewater collection and treatment, supporting the operations of townships, residential communities, office buildings, malls and hotels • Onsite water source development for clients and bulk water supply for utilities through modern water technologies, to help improve water security in communities served Urban Solutions • Energy and water efficient district cooling systems for large-scale office and commercial developments	and 201,000 commercial and industrial accounts • Supplied energy to 35 directly engaged commercial and industrial accounts • 6.4 MW of rooftop solar energy capacity for commercial/ industrial clients • 216 hectares of adopted carbon forests for greenhouse gas sequestration Urban Efficiency Solutions • 23,911,164 TRH of efficient cooling provided to Northgate Cyberzone and Festival Mall clients Sugar Farm Operations and Milling • 1,455,952 tons of cane processed • 1,822 sugarcane planters served by field support and mill operations • 765 sugarcane planters served/supported with cane points, availing of 7,288 'lacsas' • 1,253 planters supported with production and harvesting loans	14 LIFE BELOW WATER  15 LIFE ON LAND  17 PARTNERSHIPS FOR THE GOALS 
Natural Capital • land bank of more than 2,000 hectares under FDC, FLI, FAI and other subsidiaries • access to surface water and ground water resources • thriving and biodiverse ecosystems surrounding our tourism assets (e.g. Boracay, Mactan, Timberland, Baguio)			

Capital	Value Creation Model	Value Delivered	UN SDG Supported by Filinvest
Relationship Capital - The Filinvest Group's trusted brand and consistent reputation has been a contributor to the growth of the conglomerate for nearly 70 years. - Partnerships with ENGIE, Omni Hitachi, Changi Airports - Partnerships with national government corporations and regulators such as BCDA, CDC, JHMC & TIEZA - Partnerships with local governments - Partnerships with our Supply Chain and network of Sales Agents	- Onsite solar energy generation for industrial clients to help reduce dependence on local grid supply and reduce indirect carbon emissions Sugar Farms Operations and Milling - Farm-level financial and technical support to independent sugarcane planters to help ensure better and sustainable yields - Efficient extraction of sugar, molasses and bagasse from raw sugarcane - Reuse of milling byproducts to conserve water, generate renewable energy and help restore soil fertility Infrastructure - Fit-out, operations and maintenance of a regional airport terminal that serves as an alternative gateway to the congested airport in the National Capital Region	373,199 tons of bagasse re-used for energy generation 42,166 tons of mud press sent back to farmlands as soil conditioner Infrastructure - Number of passengers who flew in and out via Clark International Airport in 2025: 2.75 million , a 14% increase from 2024 - Number of flight movements: 22,475 flights, a 18% increase from 2024	

Sustainability and Regeneration Across Seven Decades and Beyond

As the Filinvest Group concludes its 70th anniversary celebrations, the organization stands at a defining moment shaped by decades of service, innovation, and partnership with Filipino communities. This milestone strengthens Filinvest's forwardlooking commitment to building long-term growth, resilience, and shared prosperity across its businesses and stakeholder networks.

Over the years, Filinvest has developed strong capabilities, enduring relationships, and deep institutional experience. These foundations inform the Group's commitment to regeneration—the intentional enhancement of proven systems while introducing new approaches that respond to evolving market conditions and a VUCA world. This strategic stance enables Filinvest to navigate a rapidly changing operating environment and transition toward future-ready business models that reflect emerging stakeholder needs. Filinvest's sustainability efforts have been evolving from a focus on operational efficiency and compliance into a more comprehensive approach that supports long-term value creation and protection. There is a conscious effort to integrate sustainability

and risk considerations into business strategy, resource allocation and performance measurement.

At the center of this evolution is the group's belief in Shared Value, which guides it to address societal challenges while pursuing sustainable returns. Filinvest actively seeks opportunities where market demand intersects with community needs, focusing on solutions that are socially relevant, commercially sound, and environmentally responsible. Ultimately the organization defines sustainability as the capacity to create, deliver, and protect Shared Value, reflecting its purpose of helping Filipinos achieve their dreams. Through accessible real estate, reliable utilities, inclusive financial services and emerging growth sectors, Filinvest aims to uplift people's lives and strengthen communities while building enterprises that endure.

The Filinvest Group's sustainability agenda emphasizes becoming Green, Inclusive, and Resilient, placing greater focus on practical actions and partnerships that advance these priorities. Filinvest recognizes that long-term success depends on active collaboration



with customers, employees, regulators, communities, business partners, lenders and investors. Supported by a culture of stewardship, integrity, and discipline in execution, this collaborative approach aims to ensure that today's progress forms the foundation of a more sustainable, resilient, and regenerative future.

Sustainability Governance

The FDC Board, supported by the Executive Council, oversees the group's sustainability strategy as part of its governance responsibilities, consistent with mainstream sustainability frameworks' expectations for organizational oversight. This includes defining the group's sustainability agenda, assessing material ESG-related risks and opportunities, establishing focus areas relevant to individual subsidiaries, and monitoring implementation. The results of these efforts are reviewed and opportunities for continuous improvement identified, in line with established accountability and governance principles.

The senior management of subsidiaries are responsible for operationalizing the sustainability agenda within their respective business units and are given autonomy to identify the material topics to focus on, given the unique contexts within their respective

sectors. Their work is guided and supported by FDC's Centers of Excellence, which promote harmonized policies and introduce best practices to ensure consistency and quality across the Group.

The Filinvest Sustainability Council acts as the group-level body responsible for developing, aligning, and supporting the execution of conglomerate-wide ESG policies and programs. Composed of sustainability champions from each business unit and led by FDC Sustainability, the Council enables cross-organizational collaboration and capability building. While each business unit retains primary responsibility for executing its own sustainability initiatives, the FDC sustainability function ensures consistent monitoring, alignment with Group strategy, and transparent reporting of non-financial performance in accordance with prevailing and emergent disclosure principles.

Scope of ESG Disclosures

Filinvest Development Corporation's portfolio include investments in diverse industries, served by centralized support services. This report covers the performance of the Filinvest Group, including the parent company and subsidiaries where Filinvest has operational control.

Business Segment covered by the sustainability report	Strategic Business Units
Banking and Financial Services	EastWest Banking Corporation (EW) and subsidiaries
Real Estate	Filinvest Land, Inc. (FLI), Filinvest Real Estate Investment Trust (FILRT), Filinvest Alabang, Inc. (FAI), and subsidiaries
Hospitality	Filinvest Hospitality Corporation, Chroma Hospitality and subsidiaries (together, FHG)
Utilities	FDC Utilities, Inc. and subsidiaries (together, FDCUI)
Sugar	Philippine Sugar Holdings Corporation (PSHC) and subsidiaries
Shared Services	Filinvest Business Services Corporation (FBSC), SharePro Inc. (SPI), Countrywide Water Services Inc. (CWSI)

Publicly listed companies Eastwest, Filinvest Land and Filinvest REIT publish their respective annual sustainability reports in accordance with the SEC's disclosure requirements. The Filinvest Hospitality Group (Filinvest Hospitality Corporation and Chroma Hospitality) publishes an annual sustainability report on a voluntary basis.

The non-financial performance of the real estate business is consolidated from both the publicly listed FLI and unlisted FAI subsidiary. Quantities reported in the FDC report consciously avoids double counting of ESG quantities across business units, given that some support subsidiaries serve the strategic business units. To avoid double counting, this report does not disclose some ESG data from the operations of property management support services such as Pro Excel Property Managers Inc. and Pro Office Works Services Inc., as well as the water and wastewater operator Countrywide Water Services Inc. (CWSI). Energy, water/sewage, wastes and other operations- or environment-related information are generated at the asset-level and consolidated at the business unit level. Other material inputs of some support businesses (e.g. the water operator or construction arm) are booked under the real estate business units' operations, in accordance with the provisions of their service level agreements.

The EESG performance of companies under the FDC portfolio where it does not exercise operating control, tagged as affiliates, are not included in this report. These include: LIPAD which operates the Clark Airport terminal, EastWest Aegeas Life Insurance, Filinvest-Hitachi Omni Waterworks, Professional Operations and Maintenance Experts Inc., and the non-profit The Palms Country Club. All other entities covered in this EESG report, except the affiliates, are majority-owned and fully controlled by the Filinvest Group.

There may be some re-statements of previous years' EESG data due to corrected figures and re-categorization of some quantities. Further discussion on specific changes are located in the EESG Performance Index.

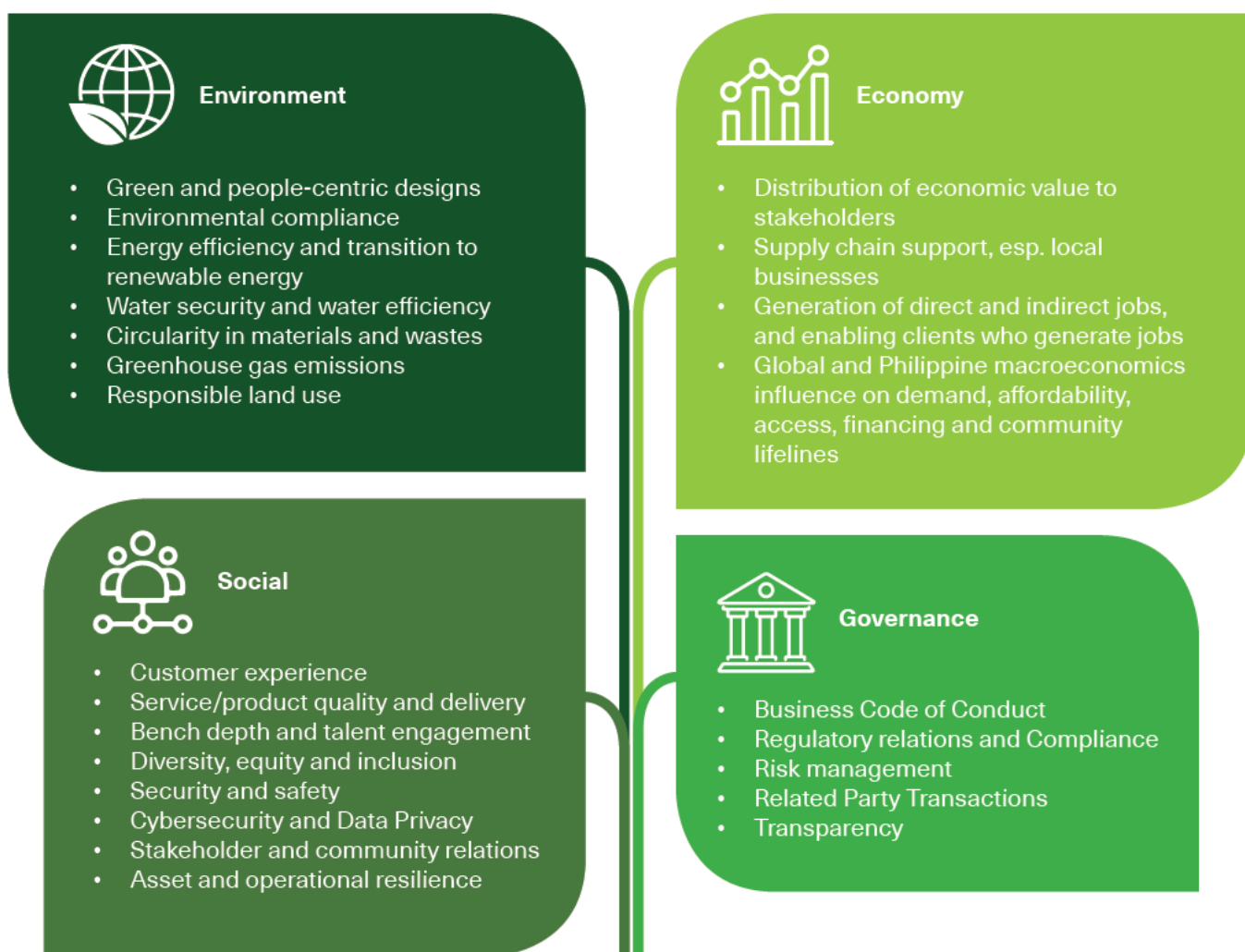


Materiality And Stakeholder Engagement

An assessment of material sustainability topics across the Group is conducted when the Group's sustainability agenda is reviewed or re-calibrated. In anticipation of the adoption of a new disclosure framework, FDC is shifting to a double materiality approach, evaluating the significance of impacts on both stakeholders and business operations.

In anticipation of the recently-issued SEC Memorandum Circular 2025-16 which adopted the IFRS ISSB S1 and S2 disclosure standards, and the clarification that all listed Filinvest companies have 2027 as the compliance year, the Filinvest Sustainability Council has undertaken a reassessment of material sustainability topics along with the alignment of these topics with the SDGs.

Material Sustainability Topics aligned with business risks



In line with GRI expectations on stakeholder engagement and management approach, the Filinvest Group identifies its key stakeholders by considering areas of shared interest and assessing their objectives, expectations, and concerns. Business units maintain established engagement channels and implement initiatives consistent with the Filinvest sustainability framework. These mechanisms are periodically refined

to enhance positive impacts and mitigate potential adverse effects associated with the Group's activities.

Strategic business units are likewise encouraged to define their own sustainability priorities and focus areas. This approach ensures alignment with FDC's overarching sustainability framework while enabling each unit to respond to the specific sustainability risks and opportunities relevant to its industry context.

Additional information on how FDC and its business segments manage the identified material topics—including policies, actions taken, and performance—is presented across various sections of this publication, particularly within the valuecreation discussion and the individual business reviews, consistent with GRI's requirements for describing management approach.

Stakeholder	Concerns	Company Response / Channels of Engagement
Customers 	Affordability	Brands developed per market segment
Depositors & Borrowers 	Product/Service quality	Customer service desks; satisfaction surveys; customer experience reviews
Home buyers and residents, Office & Mall tenants and their employees and customers 	Data privacy and cyber risks	Cybersecurity tools and data privacy protocols;
Industrial locators		

Stakeholder	Concerns	Company Response / Channels of Engagement
Hotel and F&B guests 	Health and safety	Safety teams and protocols at facilities
Power distribution utilities and industrial clients 	Service resiliency	Green Design of townships, buildings and other properties (incl. green building certifications); Site risk assessments and business continuity plans
Sugarcane planters 	Agricultural productivity	Technical/field support to planters; efficiency in mill operations
Employees 	Career development Work-life balance and talent connection Health and safety Gender balance	Competency assessments and individual development plans; Face to face and online trainings; one-on-one mentoring and stretched assignments Employee engagement program; Total Rewards review and recalibration Performance reviews Gender-responsive policies on employee opportunities

Stakeholder	Concerns	Company Response / Channels of Engagement
Supply Chain 	Accreditation Timeliness of contract awards and payments Local procurement	Documented accreditation process Systems process review and revised procedures, with digitization initiatives Devolvement of some procurement work to local operations
Regulators and Government 	Cross-sectoral alignment of development plans and emerging policies Compliance Good Governance	Continuous coordination on zoning, transportation, utility master plans of national agencies and local governments Timely renewal of permits and submittal/publication of required reports Business code of conduct and ethics; leaders and employee trainings on good governance; Review, updating and rollout of company policies Executive Development Program and annual governance trainings for improving competencies of Board and key officers
Lenders and Investors/ Shareholders 	Transparency & EESG / non-financial disclosures Financial sustainability	Annual financial and non-financial disclosures Structured/unstructured disclosures to the PSE Regular analyst briefings by the publicly listed Filinvest companies Press releases to tri-media and social media Corporate websites Compliance with provisions in loan covenants Adoption of a Sustainable Financing Framework

Stakeholder	Concerns	Company Response / Channels of Engagement
		Redevelopment of Insurance coverage strategy Assessment of climate transition risks (2026)
Communities 	Site-specific community or LGU issues	Relationship management and community social investments, incl. partnerships on specific projects Physical climate risk assessment on existing assets and land bank
Environment 	Environmental impacts	Application of green and people-centric design principles Energy and resource efficiency initiatives Adoption of Renewable Energy in asset operations Transition to a balanced energy generation portfolio Water conservation, wastewater treatment and reuse Solid waste and hazardous waste management partnerships Environmental compliance of projects and operations Biodiversity-related programs Adoption of carbon sequestration forests and greenhouse gas accounting

Filinvest Group's Sustainability Framework

Filinvest's sustainability agenda is structured around three core themes—GREEN, INCLUSIVE, AND RESILIENT—which reflect the Group's commitment to long-term value creation and responsible management of its most material environmental, social, and governance (ESG) impacts across its diverse businesses.

The Group's focus on environmental stewardship and the responsible use of natural resources is captured under the GREEN theme. This guides Filinvest's actions on climate mitigation and adaptation, sustainable resource management, and environmentally sound innovations. These include integrating green building and energy-efficient technologies, advancing renewable energy projects, and upholding responsible management of land and natural resources to help minimize environmental impacts and support the transition to a low-carbon economy.

Filinvest's intention to broaden access to opportunities and ensure that its businesses contribute to social well-being is expressed under the INCLUSIVE theme.

This includes promoting economic empowerment through accessible and affordable housing, inclusive financial services and job creation, while strengthening community partnerships and embedding diversity, equity, and inclusion principles within its workforce and operations.

Filinvest's commitment to building organizations and communities that can adapt to and thrive amid environmental, economic, and social disruptions is reflected under the RESILIENT theme. This involves strengthening governance systems, integrating risk management across business operations, investing in disaster preparedness, and equipping its people and assets to withstand evolving challenges and safeguard value over the long term.

Together, these themes support Filinvest's overarching purpose: to empower Filipinos to achieve their dreams. Through responsible and forward-looking business practices, the Group strives to create positive and lasting impacts for individuals, communities, and the nation, reinforcing its unique legacy of service and nation-building.



Filinvest Group's Sustainability Framework

Filinvest is a sustainability champion whose commitments are manifested through corporate social investments, adoption of best practices and management of EESG and business risks to ensure long-term value creation, and delivering innovations to maximize positive impact.

GREEN	INCLUSIVE	RESILIENT
We manifest responsibility towards the environment that provides ecosystem services which sustain our operations. Green Designs for Sustainable Communities Circular Economy Transition to Low Carbon Economy	We support the unserved and underserved by providing innovative solutions and exploring where others are not. We create value for both shareholders and stakeholders. We champion equality and diversity in all aspects of operations. Serving the Underserved/ Unserved Nurturing Talent: Equal Opportunities for Jobs, Development and Growth Engaging Communities	We are ready for disruptions, challenges and opportunities that come our way. Resilient Assets Resilient Operations Agile Organization

Three action areas under each of the Green, Inclusive and Resilient themes, with their own articulated commitments, are

The Filinvest Group's Sustainability Commitments

GREEN	
Green Designs for Sustainable Communities	We commit to developing green communities and infrastructure that feature designs that minimize negative impact and enhance positive impact, not only on the physical environment but also on people and communities.
Circular Economy	We commit to maximize all opportunities in contributing to a circular economy where material resources are utilized in an efficient manner and kept useful for a long time, wastes are minimized and made useful, and natural systems are regenerated.

GREEN	
Transition to Low Carbon Economy	We commit to achieving net zero emissions in our value chain in the best practical way and at the soonest, in alignment with the country's development strategy, climate change targets and timelines.
INCLUSIVE	
Serving the Unserved and Underserved	We commit to finding new solutions to address the pain points of the unserved and underserved segments of society through innovations in delivering products and services.
Nurturing Talent: Equal Opportunities for Jobs, Development and Growth	We commit to strengthening our human capital that will support our business growth aspirations, by nurturing capabilities and bringing out the best in our talents irrespective of background.
Engaging Communities	We commit to listening to and engaging with all relevant stakeholders where we operate, so that we could work together to attain common goals.
RESILIENT	
Resilient Assets	We commit to retrofit existing assets and acquire or develop future assets to be resilient against all types of physical risk events such as climate-related or geological phenomena and manmade disruptions.
Resilient Operations	We commit to strengthening our capabilities in business continuity across the group, ensuring that our people are resilient to be able to serve customers well during disruptions, response capabilities across the Group are integrated, and operations protocols developed and regularly tested.
Agile Organization	We commit to always look ahead and continually transform and strengthen our human capital, technical practices, business processes, culture and leadership so that the Group is ready to address current and emerging global and local risks and opportunities that have an impact on our long-term ability to create and deliver value for our stakeholders.

FDC's nonfinancial disclosures present its sustainability performance and outlook using recognized indicators and metrics from mainstream ESG reporting frameworks where applicable. The Group also incorporates context-specific indicators that reflect Filinvest's unique approach to Creating Shared Value, particularly in areas that directly affect customers.

To provide a more complete view of performance, additional quantitative data on sustainability topics not detailed in the main report is consolidated in the **EESG Performance Index**. This section includes explanatory notes on data sources and methodologies to support clarity, comparability, and alignment with GRI reporting principles. Where relevant, the explanations for any re-statements are also available in that section.

To be GREEN means to regenerate and grow

Filinvest's commitment to the physical environment forms the first pillar of GREEN under its sustainability agenda. It focuses on protecting and enhancing ecosystem services that enable business and sustain society—ranging from essential resources such as food, water, and energy, to regulating services like climate moderation, waste recycling, and water purification, as well as non-material benefits including education, recreation, and cultural value. These systems, together with the natural cycles that sustain life on Earth, are fundamental to long-term economic and social well-being. Beyond minimizing environmental impacts, the Group aims to strengthen the natural environment's capacity to regenerate and continuously provide the ecosystem services that underpin the long-term viability of the Filinvest enterprise.

To advance this goal, Filinvest integrates green design principles into its communities to reduce material dependence, limit long-term environmental impacts, and enhance quality of life. The Group also applies circular economy solutions to minimize waste, optimize resource use, and promote responsible stewardship of natural capital across its developments. In parallel, Filinvest aligns its growth initiatives with the Philippine government's transition to a low-carbon economy and its commitments under the Paris Agreement, while remaining mindful of economic objectives and the needs of underserved communities.

Filinvest views sustainability not only as a means of managing environmental and climate-related risks, but as a driver of long-term growth. By embedding environmental stewardship and ecosystem resilience into its operations and brand promise, the Group seeks to foster a symbiotic relationship between business and nature—creating lasting value for stakeholders while contributing to environmental regeneration for future generations.

Green best practices in real estate

Real estate is a core pillar of Filinvest Development Corporation, tracing its roots to the 1960s as a natural complement to the Group's original financing business. Over the decades, Filinvest has grown into a fully integrated real estate enterprise, delivering a diverse



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Filinvest views sustainability not only as a means of managing environmental and climate-related risks, but as a driver of long-term growth.

portfolio that spans residential communities, high-rise condominiums, office and retail developments, hotels, and industrial parks.

Filinvest has strengthened this legacy by embedding sustainability into both design and operations, captured in its “Dreams Built Green” brand promise. The Group has been an early adopter of green building principles and energy-efficient technologies, integrating environmentally responsible features into

its developments well ahead of industry norms. A defining milestone was the 2021 launch of the Filinvest Real Estate Investment Trust (REIT), the country's first sustainability-themed REIT, which has since received multiple recognitions for environmental stewardship. Through these initiatives, Filinvest delivers eco-efficient, people-centric spaces that enhance customer experience while reinforcing sustainability as a core value proposition.

As a validation of both energy, water and carbon reduction initiatives in design and operations, Filinvest REIT has, for buildings under its portfolio, 10 LEED certifications and 12 EDGE certifications by the end of 2025. Of this set, notable is the Filinvest One building which was given a Zero Carbon rating, the highest score under the EDGE certification protocol. With more EDGE certifications coming in the first quarter

of 2026, FILRT is due to be declared as an EDGE Champion, i.e. has more than 200,000 m² of office space that are EDGE-certified.

23 properties across the Filinvest real estate business have secured green certifications that validate best practices in environmental sustainability.

The Filinvest City township is the first to secure a LEED Gold (v4) certification for Neighborhood Development. It is also the first and only central business district in the Philippines to be awarded a 3Star BERDE District certification by the Philippine Green Building Council.

FILRT Asset	Green Certifications	Year
Axis 1	LEED Gold v3	2017
Vector 3	LEED Gold v3	2016
Vector 2	EDGE Level 1	2022
Vector 1	EDGE Level 1	2022
Plaza A	EDGE Level 1	2023
Plaza D	EDGE Level 1	2023
Filinvest 3	EDGE Level 1	2023
Filinvest 2	EDGE Level 1	2023
Filinvest 1	EDGE Level 3 – Zero Carbon	2024
Plaza E	EDGE Level 1	2025
IHUB 1	EDGE Level 1	2025
IHUB 2	EDGE Level 1	2025
5132	EDGE Level 1	2025

Non-FILRT Asset	Green Certifications	Year
Filinvest City (Alabang CBD)	LEED Gold v4 for Neighborhood Development and 3-star BERDE Certification	2020 and 2022
Filinvest Cyberzone Bay City Phase 1	LEED Silver v3	2017
Filinvest Cyberzone Bay City Phase 2	LEED Silver v3	2019
Axis 2	LEED Gold v3	2018
Axis 3	LEED Gold v3	2021
Axis 4	LEED Gold v3	2020
Studio 7	LEED Silver v3	2021
One Filinvest	LEED Gold v3	2022
Mimosa Plus Golf Course	GEO Certified	2024
PBCOM Tower*	EDGE Level 1	2025

*PBCOM Tower is Jointly developed by Filinvest Asia Corporation (FAC), a Filinvest Land, Inc. (FLI) Company, and the Philippine Bank of Communications (PBCOM)

But Filinvest does not stop at securing certifications for individual buildings. One of its major townships, the 244-hectare Filinvest City, dubbed as a Garden City, has long secured a LEED Gold (v4) certification for Neighborhood Development and a 3-star BERDE certification.

Despite perceptions of golf as a resource-intensive sport, Mimosa Plus Golf Course in Clark has emerged as a national benchmark for sustainable golf, becoming the first GEO Certified® golf course in the Philippines and one of fewer than 20 in Asia. Awarded following a rigorous, independent third-party verification process, the internationally recognized certification affirms Filinvest Hospitality's commitment to environmental stewardship, resource efficiency, climate action, and community value. Key initiatives underpinning this achievement include the use of low-water-demand turf grasses, the deployment of a precision irrigation system for efficient water management, and biodiversity programs such as tree-tagging and on-site plant propagation.



As a validation of both energy, water and carbon reduction initiatives in design and operations, Filinvest REIT has, for buildings under its portfolio, 10 LEED certifications and 12 EDGE certifications by the end of 2025.

Complementing this milestone, the adjacent Quest Plus Clark and Convention Center was the first property in the hotel portfolio to earn the Good Travel Seal from Green Destinations, recognizing its strong commitment to sustainable tourism through sound environmental and social practices.

Circularity principles to minimize impacts

The Filinvest Group advances a circular and regenerative approach by integrating sustainable practices in a manner that is both resource-efficient and fully compliant with environmental regulations. Beyond minimizing waste, the Group seeks to restore and renew natural systems by maximizing material reuse and recycling resources. These efforts include the adoption of circular design principles, the implementation of waste diversion and recovery programs, and collaboration with partners to close material loops responsibly.

Beyond the usual conservation and cleanup CSR initiatives, Filinvest's hospitality operations advances practices that reduce operational waste while creating social and economic value. Crimson Boracay's Upcycled Soap Project and Quest Plus Conference Center Manila's Soap for Hope program (implemented with the Philippine Institute for the Deaf) repurposes used guestroom soaps into hygienic bars, while supporting skills development and livelihood opportunities of partner organizations.



Waste reduction efforts are further strengthened by Quest Hotel Tagaytay City's Recycle & Earn Program, which promotes waste segregation and recycling among employees through regular coordination with accredited vendors. At Crimson Resort & Spa Mactan, a three-month Seaweed Sustainability Program collected and repurposed seaweed into organic fertilizer and compost, supporting sustainable agriculture, while discarded linens across select properties are creatively upcycled into handcrafted batik-style sarongs, reducing textile waste and generating new revenue streams. Collectively, these initiatives demonstrate how Filinvest Hospitality translates environmental responsibility into tangible social, environmental, and economic outcomes.

In Filinvest City, treated effluent from its centralized sewage treatment plant is already being reused for landscape irrigation, reducing freshwater demand across the district. Building on this circular water practice, Filinvest is undertaking a major upgrade of the STP alongside the construction of a state-of-the-art water recycling facility which, when completed in mid-2026, will have the capacity to treat up to 15 million liters of wastewater per day using membrane bioreactor technology, and produce at least 10.5 million liters per day of high-quality recycled water through reverse osmosis and advanced oxidation processes. One of the benefits of the project is to enhance water security in Filinvest City, reduce reliance on the reserves of the local aquifer, and lessen dependence on the public water utility which sources its raw water from distant sources — setting a new benchmark for sustainable, technology-driven water infrastructure in Philippine townships.

Filinvest's industrial businesses apply circular economy principles by converting byproducts into valuable resources and minimizing waste across their operations. In the sugar business, nutrient-rich mud press is returned to planters' farms as an organic soil conditioner, while bagasse, the residual fiber after sugarcane is crushed, is reused as biomass fuel to generate renewable energy for milling activities.

At the FDC Misamis power facility, the generated fly ash is supplied to a cement manufacturer in Iligan as a clinker substitute, reducing the use of virgin materials.

and the carbon footprint of cement production. Bottom ash, once tested and cleared of hazardous components, can be repurposed for backfilling low-lying land, providing a safe alternative to disposal to distant landfills. Partnerships with local governments and research units are in place to explore other uses for this byproduct.

In the Misamis power plant operations, 46,830 tons of fly ash are used as clinker substitutes for cement manufacturing.

440,862 tons of bagasse, a byproduct of sugar crushing, are used to generate energy to augment the requirements of mill operations. This generated a total of 35,530,842 KWH energy in boilers. 42,166 tons of mud press were returned to sugarcane fields to help regenerate soil fertility.



Transition to a Low Carbon Future

The Filinvest Group is firmly committed to contributing to a low carbon and eventually a Net Zero future, aligning its actions with the Philippine government's climate mitigation and adaptation goals under the 2015 Paris Agreement. Acknowledging that Filipinos are among the most vulnerable to climate change despite the country's relatively low contribution to global emissions, the Group is working at reducing its carbon footprint to help protect at-risk communities. Transition initiatives anchored on renewable energy and energy efficiency are ahead of national timelines and reflect a proactive sustainability strategy.

At the same time, Filinvest recognizes the importance of inclusive economic growth, particularly in underserved and under-invested areas, and ensures that climate initiatives are balanced with efforts to generate economic opportunities and support community development. This approach enables Filinvest to advance climate action while contributing to the country's broader goals of equitable and sustainable development.

Energy Efficiency as a first step

Filinvest prioritizes energy efficiency as a practical, low-hanging fruit strategy to rapidly reduce carbon emissions before making larger capital investments in renewable energy. Across key developments in Alabang and Clark, the Group has implemented district cooling systems (DCS) that deliver energy savings of up to 40 percent, immediately lowering power demand through centralized, optimized cooling—most notably in Northgate Cyberzone.

Building on this approach, 2025 energy efficiency performance projects with ENGIE at Festival Mall Alabang and Quest Hotel Clark target energy reductions of around 36 percent, demonstrating how efficiency gains can be realized quickly while improving comfort and operating reliability. These initiatives are reinforced by green building design, efficient lighting and ventilation systems, and operational improvements in power generation facilities (in the reduction of station service), positioning energy efficiency as the first and fastest lever in Filinvest's broader decarbonization pathway before scaling up renewables.

Carbon abatement initiatives gaining traction

The real estate leasing business of Filinvest has been consciously transitioning towards renewable energy sources. Since 2024, 16 FILRT office buildings have converted to 100% renewables under the Green Energy Options Program (GEOP) and Retail Competition and Open Access (RCOA), and its full year effect was felt in 2025. In addition, seven non-FILRT leasing assets of FLI also started to purchase renewable electricity in 2025.

One of the properties of FILRT, Filinvest One in Alabang, has been awarded EDGE Level 3 or Zero Carbon rating which signifies carbon neutrality, while 21 others have secured LEED Gold and EDGE Certifications, testifying to their significant performance in energy efficiency, along with other metrics such as water and embodied carbon.

33 leasing buildings in Filinvest's real estate business have shifted to 100% electricity supply from renewable sources.

Note: Two of the buildings, Concentrix and PBCOM, are not under direct management of Filinvest property managers.

In addition to the conversion to 100% RE electricity of real estate leasing assets, the power arm of FDC has physically completed a 20MW solar farm in Misamis Oriental, in the same premises of the existing coal-fired power plant. This is a first in the Philippines, where a coal-fired asset sits side by side with a solar



farm. Inauguration of the solar facility is scheduled for early 2026.

The Misamis solar project is the latest in a portfolio of completed solar projects that include the 2.8MW Festival Mall rooftop solar and two rooftop installations for industrial clients with a combined capacity of 3.6 MW. A pipeline of solar, mini-hydro and biomass energy projects are lined up to attain the target of establishing a balanced energy generation portfolio by 2033, ahead of the 2040 target under the Philippine Energy Plan.

2025 Greenhouse Gas Emissions and Avoidance (tonnes CO₂-e)

GHG Emissions	Banking	Real Estate	Hospitality	Power	Sugar	Total
Direct Emissions, Scope 1 – fuels	726	5,030	2,902	2,684,557	4,735	2,697,949
Indirect Emissions, Scope 2 –purchased non-RE electricity (common areas in property management)	N/A	38,891	N/A	N/A	N/A	38,891

GHG Emissions	Banking	Real Estate	Hospitality	Power	Sugar	Total
Scope 1 & 2 emissions attributable to Filinvest based on operational control –i.e common area for office leasing and total area for all other assets, and projects	9,196	46,074	25,785	2,684,557	5,970	2,771,581
Scope 3 – tenant-controlled emissions due to non-RE electricity	N/A	46,450	N/A	N/A	N/A	46,450
Scope 4 - avoided emissions due to the purchase of renewable electricity and energy generation from biomass	N/A	19,508	N/A	N/A	22,153	41,661

Notes:

1. Fuels in Scope 1 are gasoline, diesel, liquefied petroleum gas (LPG) and coal. Emission factors for Scope 1 and 2 are:

a. Gasoline: 2.288 kg CO₂-e/L

b. Diesel: 2.910 mg CO₂-e/L

c. LPG: 2.98 kg CO₂-e/kg

d. Coal: 1,816.29 kg CO₂-e/tonne

e. Luzon-Visayas Grid: 0.7122 tons CO₂-e/MWH

f. Mindanao Grid: 0.7797 tons CO₂-e/MWH

2. Reported figures include projects execution and property management emissions of real estate operations of FLI and FAI. 'Base building' refers to the common areas under the control of Filinvest's property managers (only one building in FILRT is not). For the 2025 report, only Scope 2 emissions attributed to base building are reported, as the organization has no control over the electricity consumption of tenants.

3. Scope 2 emissions due to tenant-controlled non-RE consumption in previous years have been re-stated as Scope 3 in this report and in subsequent disclosures.

3. The Scope 2 emissions of water utility operations (a shared service similar to property management) is included in the column for real estate.

4. Avoided emissions are due to the use of renewables in both FILRT and non-FILRT leasing spaces, onsite solar power at Festival Mall, and Davao Sugar's use of bagasse for boilers.

With the release of the SEC Memo Circular 2025-16 mandating eventual disclosure of Scope 3 emissions, the quantification of significant supply chain partners' emissions will become part of the scope of a Greening the Supply Chain program, dovetailing with the recent reorganization of the procurement function that is now mostly under FDC control. The district cooling system's emissions from purchased electricity, previously tagged in some previous ESG reports as Scope 3 because Philippine District Cooling Development Corporation (PDDC) was treated as a

third party service provider, is now tagged under Scope 2 ("purchased cooling").

The overall greenhouse gas emissions of the Group decreased by 2% mainly due to the reduced coal consumption of FDC-MPC due to a scheduled downtime of one of the units. Furthermore, the full year effect of FILRT buildings' conversion to 100%, augmented by a similar conversion to renewables of 7 Filinvest Land's non-FILRT leasing properties in 2025 led to an increase of avoided Scope 2 emissions by 65 percent.

Sustaining Inclusive Growth Across Generations of Filinvest Talents

As Filinvest marked its 70th anniversary in 2025, the milestone underscored the Group's belief that sustainable growth is inherently regenerative—built over generations and sustained through people. The continuity of the enterprise, now guided by a new generation of leaders standing on the foundations laid by those before them, reflects a long-term perspective on value creation that prioritizes social capital alongside financial performance. This generational transition reinforces Filinvest's commitment to stewarding its human and relationship capital responsibly, ensuring that the organization remains adaptive, relevant, and purpose-driven amid evolving social, economic, and environmental conditions.

Anchored on the “Inclusive” pillar of Filinvest's sustainability framework, the Group's social agenda focuses on enabling, empowering, and including individuals and communities as integral contributors to enterprise resilience and growth. For nearly seven decades, Filinvest has supported ordinary Filipinos by expanding access to housing, mobility, livelihoods, and essential services, while more recent investments in utilities and infrastructure have strengthened the enabling conditions for shared prosperity. Through people-centric human capital management, responsible labor practices, and active stakeholder engagement, Filinvest seeks to manage material

social risks and opportunities while regenerating trust, capability, and opportunity across its value chain—supporting inclusive growth and long-term enterprise value for present and future generations.

Creating Shared Value by Serving the Underserved

Under the Inclusive pillar of its sustainability framework which is anchored on the concept of Creating Shared Value, Filinvest is guided by a deliberate focus on serving the unserved and underserved—addressing material social gaps that limit access to essential products, services, and economic opportunities. Consistent with its purpose of enabling Filipinos to achieve their dreams, the Group designs and delivers solutions that expand access to housing, financial services, livelihoods, and basic lifelines and infrastructure, particularly for communities and segments that have historically been excluded. By embedding inclusivity into its business models, investment decisions, and stakeholder engagement processes, Filinvest seeks to manage social risks while unlocking opportunities for shared value creation—strengthening individual agency, supporting community development, and contributing to inclusive economic growth that underpins long-term enterprise resilience and value creation.



Sector	Social Pain Point	Filinvest's Response
Financial	Financial literacy and inclusion remain persistent social challenges in the Philippines, limiting household resilience and enterprise growth. The World Bank's Global Findex 2025 indicates that only around half of Filipino adults hold an account with a formal financial institution or regulated digital provider, reflecting ongoing barriers related to income volatility, trust, and financial capability. Similar constraints affect micro, small and medium enterprises, many of which continue to face difficulties accessing appropriate financing despite recent growth in overall bank lending. Risk protection also remains limited, with insurance penetration still below 2% of GDP, underscoring low adoption of formal risk-transfer mechanisms among households and small businesses.	Addressing these material gaps, Filinvest's banking arm, EastWest, plays a central role in advancing the Group's Inclusive agenda by expanding access to financial services, strengthening financial capability, and supporting underserved individuals and enterprises in building more secure financial futures. • In 2025, 84% of the bank's loan portfolio were in consumer loans, including salary and home loans • EastWest has among the fastest approval turnaround times for personal and auto loans.
Housing	Access to affordable housing remains a significant social challenge in the Philippines, particularly for low-income and urban households. The Department of Human Settlements and Urban Development has long cited a housing backlog of around 6.5 million units, reflecting families living in overcrowded, insecure, or substandard conditions. While national data indicate that about 62% of Filipino families own the house and lot they occupy, homeownership rates are notably lower in urban areas, where land constraints and affordability pressures are most pronounced. These gaps contribute to the persistence of informal settlements and heightened exposure to social, health, and climate-related risks.	Filinvest's real estate subsidiaries support the Group's Inclusive agenda by delivering housing solutions across income segments, with a particular focus on expanding access to affordable and socialized homes for Filipino families. In 2025, Filinvest Land launched affordable housing projects located in Davao and Rizal, comprising a total of 345 units. These launches were supported by 15 ongoing projects totaling 2,717 units, reflecting a strong and continuing pipeline aligned with demand in emerging communities. In 2025, a total of 2,168 affordable housing and condo units were delivered to homebuyers. 28% of the units were in Metro Manila, 52% in Southern Tagalog, 3% in the rest of Luzon, 8% in Visayas and 9% in Mindanao. Filinvest Land has 1,775 hectares of land bank across the country, including joint venture arrangements, most of which are earmarked for future housing developments.

Sector	Social Pain Point	Filinvest's Response
Travel and Tourism	Tourism remains a critical driver of livelihoods in the Philippines, contributing 8.9% of GDP and supporting around 6.75 million jobs in 2024, yet its benefits remain unevenly distributed across regions. While the country's natural and cultural assets are globally recognized, international arrivals reached only about 6 million visitors in 2024–2025, still significantly below prepandemic levels and well behind regional peers, reflecting persistent constraints in connectivity, accommodation capacity, and destination readiness. These infrastructure gaps are most pronounced in developing areas with high tourism potential, where limited transport links, insufficient quality accommodations, and lack of community-based facilities restrict local participation in tourism value chains and result in missed opportunities for inclusive growth and employment generation.	Filinvest's hospitality business supports the Group's Inclusive agenda by investing in well-planned, destination-anchoring hotels and resorts, building local employment and supplier linkages, and enabling communities in emerging destinations to participate more fully in a resilient and sustainable tourism economy Filinvest Hospitality currently operates seven hotels in Luzon and the Visayas with a total of 1,836 rooms. A further 256 rooms are under construction, for completion in mid-2026. There was a workforce of 1,555 consisting of directly hired regular and contractual jobs in the hospitality business. This does not include the personnel count of third party service providers (e.g. security, transport) as well as local businesses that indirectly benefit from Filinvest's hospitality investments and operations.
Energy Security	Energy security remains a pressing concern in the Philippines, particularly in the Visayas and Mindanao, where power supply adequacy is increasingly sensitive to demand growth, interconnection dependence, and plant reliability. Recent power outlooks indicate that the Visayas grid faces recurring tight reserve conditions, relying heavily on power imports from Luzon and Mindanao, while Mindanao—despite periods of surplus—must carefully balance exports with growing local demand to avoid future supply constraints during peak periods. These dynamics underscore structural vulnerabilities in regional energy security, alongside the national imperative to transition toward a lowercarbon power system, with government policy targeting 35% renewable energy in the generation mix by 2030 to reduce dependence on imported fuels and improve long-term resilience.	Filinvest's power business supports both energy security and energy transition by investing in dependable generation capacity while progressively expanding renewable energy and efficiencydriven solutions, helping stabilize supply across the country and contribute to a more secure, lowcarbon energy future. FDC Utilities, Inc.'s (FDCUI) flagship project, a 405-megawatt baseload facility in Misamis Oriental, played a pivotal role in addressing Mindanao's power shortage, strengthening the reliability of the regional grid. The facility is currently increasing its generation capacity by 33%, with completion expected in 2027. Today, it supplies power to 19 electric cooperatives, serving approximately 2.3 million energized households and 201,000 commercial and industrial customers across the country. To respond to the emerging supply-demand gap in the region and support the energy transition, FDCUI is accelerating the development of renewable energy projects, including solar and biomass. Early in 2026, an FDCUI subsidiary completed the 20.774-megawatt-peak solar farm located in the PHIVIDECE Industrial Estate (energization in Q1 2026). In addition, FDCUI, through its retail supply business, has 35 directly contracted large industrial and commercial clients.

Sector	Social Pain Point	Filinvest's Response
Agriculture	The Philippine sugar industry faces persistent structural and climate-related challenges that constrain productivity, farmer incomes, and supply stability. Nationally, the Sugar Regulatory Administration projects raw sugar output for crop year 2024–2025 at around 1.78 million metric tons, a year-on-year decline of over 7%, driven largely by climate variability and rising production costs. The sector is highly fragmented, with around 84–85% of sugarcane farmers operating on landholdings of less than five hectares, limiting access to mechanization, irrigation, and modern farm inputs. Mindanao accounts for about 21% of the country's sugarcane area and has become increasingly important as production expands southward despite having only 4 operating mills in the island, underscoring the need for improved milling efficiency, logistics, and farmer support in the region.	Filinvest's sugar business contributes by operating modern sugar mills in Mindanao, strengthening market access for smallholder farmers, improving processing efficiency, and investing in productivity and value-enhancing initiatives that help stabilize domestic supply and support rural livelihoods. FDC's two sugar mills with a combined capacity of 11,000 tons cane per day in the Cotabato and Davao area serve thousands of sugarcane planters and their families.
Infrastructure	Persistent gaps in transport infrastructure—particularly in air travel and inter-regional connectivity—continue to constrain tourism growth in the Philippines. Studies and public commentary have consistently highlighted airport congestion, limited capacity at primary gateways, and uneven development of regional airports, which increase travel friction and reduce the accessibility of emerging destinations. These constraints weaken the visitor experience and limit the ability of tourism to drive more inclusive regional development.	Through the LIPAD consortium, Filinvest helps address these challenges by strengthening Clark International Airport as a modern and uncongested alternative gateway, improving connectivity to growth corridors and tourism destinations. This role complements Filinvest's hospitality investments by enhancing access, supporting higher visitor volumes, and enabling tourism-led economic activity beyond traditional entry points. In 2025, Clark International Airport served 2.75 million passengers, with the majority being international travelers. This marked a 14% increase from the previous year as the airport continued its post-pandemic recovery. Flight operations also expanded, rising by 18% to a total of 22,475 flights.

EastWest's GuroWAIS for Financial Empowerment of Public School Teachers

Issue

Only 35% of Filipinos are financially literate — and teachers, despite being the nation's most trusted educators, are not exempt from that statistic. Across the country, public school teachers carry financial burdens: high debt, low savings, and a chronic vulnerability to loan traps and investment scams. For EastWest Bank, a bank with deep roots in the teacher community through its Rural Bank subsidiary, this was not just a social concern. It was a call to act.

Response

In 2025, EastWest Rural Bank launched GuroWAIS — a financial empowerment program purpose-built for Filipino educators, drawing its name and philosophy from the bank's WAIS framework:

- **Wise** in financial knowledge rooted in Filipino values
- **Agile** in meeting each generation of teachers where they are
- **Innovative** in using digital and experiential delivery, and
- **Sustainable** in building habits that outlast a single session.

Curriculum is hyper-personalized by life stage: a Gen Z teacher in her first year learns about emergency savings and avoiding loan traps; a Millennial mother is guided through education funding and home investment; a Gen X teacher nearing retirement receives coaching on building a retirement portfolio. Content is delivered through school visits, community finance circles, and digital modules — designed for all teachers who carry internet-enabled smartphones.

Impact

In the opening months of the program, 150 public school teachers in Muntinlupa City and Bataan Province received financial empowerment sessions. A starter pool of 30 trained employee volunteers dubbed as Magenta mentors will continue to run the GuroWAIS sessions in more schools in 2026. The program aims to reach all 221,000 teacher clients in EastWest's network over the next five years — not just as borrowers but as financially empowered Filipinos who carry that knowledge home to their families, and forward to the students in their classrooms.

Nurturing Talent: Equal Opportunities for Jobs, Development and Growth

The Filinvest Group identifies bench depth, competencies and talent engagement as critical drivers of business resilience and long-term value creation, consistent with the workforce-related risks and opportunities considered under prevailing sustainability and risk frameworks. The Group's growth strategy depends on maintaining a deep and future-ready talent bench, with employees demonstrating strong proficiency in role-relevant core, leadership, and functional competencies. Filinvest's

management approach emphasizes continuous skills development, performance management, and employee engagement to ensure that individuals are equipped to take on new and expanded roles as the business evolves, while remaining energized and connected to the Group's purpose, brand, and long-term strategy.

Filinvest's strong representation of women across its Board, executive leadership, and management reflects a long-standing merit-based approach to talent identification, development, and advancement, rather than outcomes driven by demographic targets

alone. Recruitment, promotion, and succession decisions are guided by demonstrated performance, leadership capability, and growth potential, regardless of gender or background, supporting diversity of thought while strengthening decision-making and governance. This approach enables Filinvest to attract, retain, and develop high-performing leaders, mitigate talent-related risks, and build a resilient leadership pipeline aligned with its strategic objectives and sustainable value creation agenda.

Women on the Board: 6 out of 9 directors

Independent Directors: 100% women

Chief Executive Officer is a Woman

Age diversity: At least a **40-year span** between the youngest and oldest Board members

FDC and Filinvest Group's Human Capital (GRI 405-1)

FDC Employees, by gender

Gender	2025	2024	2023
Male	49	46	25
Female	70	61	51
TOTAL	119	107	76

FDC Employees, by rank

Rank	2025	2024	2023
Exec	35	35	29
Mgr	39	35	19
Sup	21	16	11
Rank & File	24	21	17
TOTAL	119	107	76

FDC Executives, by rank and gender

Executive	2025	2024	2023
Male	20	18	15
Female	15	17	14
TOTAL	35	35	29

Filinvest Group Employees (2025), by gender

Business Type	Male	Female	Total
Financial Services	3,322	5,344	8,666
Real Estate	734	1,144	1,878
Hospitality	827	564	1,391
Power & Utilities	255	101	356
Sugar	334	92	426
FDC Parent and Shared Services	663	681	1,344
TOTAL	6,135	7,926	14,061



Filinvest Group Employees, by rank

Business Type	Banking	Real Estate	Hospitality	Utilities	Sugar	FDC & Shared Services*	TOTAL
Executive	372	97	57	9	3	75	613
Manager	956	474	293	43	26	269	2,061
Supervisor	3,730	465	346	144	155	322	5,162
Rank & File	3,608	842	695	160	242	678	6,225
TOTAL	8,666	1,878	1,391	356	426	1,344	14,061

This table includes both regular and probationary employees.

*FBSC (Shared Services Company & One Tech), SPI and CWSI

Filinvest Group Executives, by gender

Executive	2025	2024	2023
Male	323	295	266
Female	290	284	265
TOTAL	613	579	531

Filinvest Group New Hires (2025), by gender

Gender	Count	Percentage
Male	1,070	43%
Female	1,430	57%
Total	2,500	100%

Fostering an Environment of Diversity, Equity and Inclusivity

Filinvest's inclusivity agenda is anchored on fostering diversity, equity, and a deep sense of belonging across its businesses, workplaces, and communities, recognizing inclusion as a driver of sustainable growth and stakeholder trust. Within its hospitality portfolio, this commitment is brought to life through visible and participatory initiatives that celebrate diversity while engaging employees, guests, and local partners. Pride Month activities such as Quest Hotel Tagaytay's "Run with Pride," delivered in partnership with the Tagaytay City Government, and Quest Cebu's "Happy to Be Loved" campaign with Pride Movement Cebu and Love Yourself, demonstrate how Filinvest creates safe, affirming spaces that support the LGBTQIA+ community while channeling advocacy into tangible outcomes, including support for HIV awareness services. These outward-facing programs are reinforced internally through structured diversity and inclusion learning engagements—ranging from LGBTQIA+ awareness courses and Safe Spaces Act

sessions to plenaries centered on belonging—ensuring that inclusive values are embedded not only in guest experiences but also in everyday workplace culture.

Beyond hospitality, Filinvest's broader inclusivity agenda spans gender equality, employee empowerment, and community participation across the Group's diverse businesses in real estate, banking, utilities, and infrastructure. The Group has consistently highlighted women's leadership and equal opportunities, reflected in International Women's Day activities across subsidiaries and in strong female representation in leadership and governance roles. Through education, financial inclusion, and community development initiatives, Filinvest also seeks to expand access to opportunities for underserved groups, aligning its DEI efforts with its long-standing commitment to inclusive growth. Collectively, these initiatives reflect Filinvest's belief that inclusion is not a standalone program but a foundational principle—one that strengthens organizational culture, enhances stakeholder engagement, and enables the Group to create shared value across the communities and markets it serves.

Strengthening Human Capital for LongTerm Value

Human capital readiness is a foundational enabler of the Filinvest Group's growth strategy and long-term value creation. The Group actively manages workforce-related risks and opportunities by investing in continuous learning, skills development, and leadership capability, ensuring that employees remain adaptable and equipped to meet evolving business and operational requirements. This focus on workforce capability supports innovation, operational excellence, and resilience across Filinvest's diversified portfolio.

To operationalize this approach, Filinvest has established a clear framework of core and leadership competencies expected of all employees, complemented by role-specific functional competencies that reflect business needs. These competency models enable the systematic identification of skills gaps and inform the design of individual development plans. Through this structured and forward-looking approach to talent development, Filinvest aligns employee progression with enterprise-level objectives, strengthens succession readiness, and supports sustainable business performance over the long term.

Training Hours in 2025 across the Filinvest Group (GRI 404-1)

Employee Rank	Male		Female		Both	
	Total Hours	Average	Total Hours	Average	Total Hours	Average
Executive	13,958	43	15,545	54	29,502	48
Manager	77,324	76	70,548	67	147,872	72
Supervisor	110,492	56	136,276	43	246,768	48
Rank & File	205,945	73	336,290	99	542,235	87
Total	407,719	66	558,658	71	966,377	69

Training Modules Delivered Across the Filinvest Group
(GRI 404-2)

Target Competency	Topics (partial list)
Core	• Strategic Systems Thinking • Making Performance Conversations Meaningful • Managing Performance through OKRs • Filinvest Gen AI Business Value Workshop • Service in a Heartbeat • Make a Unique Guest Experience (UGE) Difference • Individual Development Plan Enablement Session • Communication and Collaboration Learning Session • The Power of Gratitude in Financial Wellness • Writing for Results (Business Writing) • Masterclass in Complete Staff Work • Coaching for Peak Performance
Leadership	• Problem Handling for Leaders • Hospitality Finance Leaders Summit 2025 • Chroma General Manager's Summit 2025 • Executive Development Program • Leading Others • Leader's Hour • Coach for Performance • Leadership Empowerment Circles • Change Management Expansion: What Leaders Need to Know about Change • Management Development Program • Operations Leadership Development Program
Functional	• Microsoft Power BI Training • Webinar Series: Buying with Purpose Fundamental Principles and Practical Guide to Procurement • Timekeeping Refresher Training • Profit and Loss • Brilliant in Sales Too: Suggestive Selling • Security Symposium • Brilliant in Skills • Smartsheet Skills Workshop • Revenue Management and Distribution • Certified Human Resource Professional • Basic Store Operations • Area Operations Officer Certification • Certified Information Systems Security Professional (CISSP) Certification

Target Competency	Topics (partial list)
Employee empowerment	• Mental Health Awareness • Gender Sensitivity Awareness • Wellness Class: Staying Mindful Amidst Pressure • Rewriting Stress: Turning Pressure into Productivity • I Own My Future (Career Development Series) • Sustainability Beyond Philanthropy: Creating Lasting Impact • Agile Professional Scrum Product Owner Certification Training
Regulatory trainings	• DOLE General Labor Standard Training • Food Safety 101 • Fire Life Safety • Occupational Safety and Health • Emergency Protocol Refresher • Data Privacy Act of 2012 • Drug-Free Workplace • Cyber Security & Data Privacy Awareness • Mastering Taxation for HR: Compliance and Strategies • Whistleblower • Anti Sexual Harassment • Data Privacy • Basic Pollution Control Officers Training • Cybersecurity in Hospitality • Basic Occupational Safety and Health - Safety Officer 1 Training • Internal Fraud Awareness Program • Signature Verification and Forgery Detection

Employee Benefits

(GRI 401-2)

The following benefits, provided by the various subsidiaries of the Filinvest Group in addition to the basic 12month salary, are extended exclusively to fulltime regular employees:

- 13th month pay
- Group life insurance for employees
- Healthcare coverage for employees and optional coverage for dependents
- Paid leaves
 - Vacation leave
 - Sick leave
 - Maternity and Paternity leave

- Solo parent leave
- Birthday leave
- Bereavement leave
- Nuptial leave
- Calamity leave
- Car plan, with fuel, repairs and maintenance subsidy (for select ranks)

In addition to these benefits, some subsidiaries may grant 14th month pay, performance bonuses and stock option plans depending on employee performance.

Parental Leave (GRI 401-3)

2025 Parental Leave - Filinvest Group	Male	Female
Total number of employees that were entitled to parental leave	All eligible employees	
Total number of employees that took parental leave	75	120
Total number of employees that returned to work in the reporting period after parental leave ended	75	119
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	66	70
Return to work rate of employees that took parental leave	100%	99%
Retention rate of employees that took parental leave	81%	75%

This table excludes EastWest Group parental leave data.

Employee Engagement

Filinvest recognizes employee engagement as a key driver of organizational effectiveness, resilience, and longterm value creation. The Group's management approach emphasizes fostering a work environment where employees feel respected, supported, and meaningfully involved in their roles, as this directly influences productivity, innovation, and talent retention. By promoting open communication, opportunities for skills development, and constructive labor-management relations, Filinvest enables employees to contribute effectively and take ownership of their responsibilities. This approach supports a positive workplace culture, strengthens collaboration across the organization, and enhances operational performance, ultimately contributing to sustainable business outcomes and shared value for employees and the Group.

FDC conducts a company-wide employee engagement survey every two years. The last survey, implemented in 2024 by a third party and responded to by 95% of employees across the Group, indicated a score of 85% for FDC the parent company, and an overall 90% score

for the Filinvest Group, compared to a Philippine norm of 93%. (The next round of employee engagement survey is scheduled for 2026.) A set of interventions were introduced in 2024 and 2025 to address the pain points indicated by the survey. In 2025, the Group-wide voluntary attrition rate had a sideways movement compared to the previous year, at 15%. A new metric, voluntary attrition rate for critical roles across the Group, was measured at 4%.



Collaborating with Communities for Shared and Sustainable Impact

Filinvest manages its impacts on local communities—defined as individuals or groups living or working in areas affected, or potentially affected, by the Group's activities—through an integrated corporate responsibility approach that combines corporate social investments, ESG risk management, and shared value creation. The Group prioritizes initiatives that respond to community needs while strengthening stakeholder relationships and fostering resilient operating environments across its areas of operation. In parallel, Filinvest considers how sustainability-related risks and opportunities arising from its interactions with communities and stakeholders across the value chain may influence its long-term prospects, including business continuity, financial performance, and access to capital, and responds through coordinated programs and investments.

Within this blended model, corporate social investments deliver direct community support and capacity-building, while shared value initiatives focus on solutions that can be embedded into business models and partnerships to generate mutually reinforcing social outcomes and enterprise resilience—particularly where community needs intersect with market demand and service gaps. Across both pathways, Filinvest's intent is to achieve outcomes-driven and durable impact, favoring interventions that are long-term by design, scalable where feasible, and capable of measurably improving access, livelihoods, and well-being—truly “moving the needle” in the lives of people and communities reached. This approach is reinforced by active stakeholder engagement processes that help identify priority needs, anticipate potential adverse impacts, and inform more inclusive and effective program design, while enabling the Group to exercise appropriate oversight, align initiatives with strategy, and track performance and outcomes over time.

Fighting Hunger and Feeding Hope through Loaves x Fish

The Loaves x Fish Foundation, founded by former Philippine Ambassador Joseph M. Yap, operates a volunteer-driven charity kitchen in Filinvest City, Alabang, providing nutritious meals to underserved and marginalized communities through partnerships with parishes, NGOs, and social institutions. Inspired by the principle of shared compassion, the Foundation is designed to deliver dignity-centered nourishment while mobilizing community participation as a core operating model. Since the start of operations in 2024, Loaves x Fish has steadily expanded its reach, reinforcing its mission of fighting hunger and feeding hope through sustained donor support and volunteer engagement. In 2025, the Foundation's impact was significantly strengthened by the active participation of Filinvest Group employees, who regularly volunteered their

time to support food preparation and kitchen operations. Employee volunteerism formed a reliable backbone of weekly activities, mostly on Saturdays, complementing corporate and partner contributions and enabling the Foundation to scale its outreach during the year, including milestone meal-donation initiatives linked to Filinvest's 70th anniversary. This sustained engagement reflects Filinvest's Inclusive agenda in action—translating corporate values, employee participation, and community partnerships into measurable social impact.

In 2025, the involvement of 1,300 volunteers resulted in over 250,000 meals (400,000 since 2024) served to 30 beneficiary organizations such as orphanages and parishes that run social programs for the homeless, elderly, disabled and other vulnerable persons.

Filinvest Land's support to community resilience

Filinvest Land engages with host communities through employee volunteerism and corporate social responsibility initiatives that are designed to address local needs and strengthen community resilience.

In 2025, these efforts included disaster relief operations, medical outreach programs, coastal clean-up and tree-planting activities, as well as school donations and other forms of community support. Through the Pusong Filinvest Relief Operations, the Company provided assistance to more than 5,600 families affected by typhoons, floods, and fires. Medical interventions reached a total of 300 individuals. Environmental stewardship activities were also undertaken in Cebu, where employees conducted coastal clean-ups, planted 1,000 mangrove seedlings, and donated tools to partner communities.



Filinvest Hospitality's alignment of core business with CSR initiatives

Filinvest Hospitality advances shared value by integrating environmental stewardship and community resilience into its hospitality operations, generating benefits for ecosystems, host communities, and guests.

Initiatives such as “Room for Trees” at Quest Plus Conference Center Clark engage guests and staff in planting Narra seedlings at the Mimosa Plus Golf Course nursery, embedding biodiversity enhancement into the guest experience and reinforcing responsible tourism. These efforts are complemented by river, coastal, and property cleanup initiatives to

reduce flood risks and protect marine ecosystems, including Quest Hotel Cebu's pre-rainy season waterway clearing and Crimson Resort & Spa Boracay's hotel, beach, shoreline, and post-typhoon cleanups in partnership with Barangay Yapak. In Mactan, Crimson Resort & Spa further strengthened environmental stewardship through participation in the International Coastal Cleanup, where employees and partner divers removed waste through coastal and underwater activities. Collectively, these initiatives—enabled by employee volunteers, LGU partnerships, and hands-on environmental action—support cleaner, safer, and more resilient destinations while deepening guest and community engagement and long-term value creation.

EastWest's focus on education and women's well being

EastWest Bank's CSR initiatives focus on employee well-being, health, and inclusion. The Bank supports life-saving care through blood donation drives with the Philippine Red Cross and NKTl, while promoting holistic wellness via a one-day Wellness OASIS across corporate sites that combined wellness services and mental health webinars on burnout, stress, and rest. In celebration of International Women's Month, EastWest rolled out yoga sessions, financial literacy webinars with COL Financial, breast cancer awareness and menopause wellness talks with health partners, and women-focused bazaars

that supported small entrepreneurs and employee well-being.

Beyond the workplace, EastWest Bank contributes to inclusive education through its annual Brigada Eskwela program and partnership with the ERDA Foundation, providing in-kind donations and mobilizing employee volunteers to support public schools, including those in far-flung areas of Zambales. Working with DepEd, LGUs, and education partners, these initiatives help improve learning environments through classroom repairs, school supplies distribution, and teacher support, reinforcing the Bank's commitment to accessible education and stronger community partnerships.

FDCUI and FDC MPC Engaging with Host Communities

- FDC MPC sustained its "Project Ayo" series of Agri-Enterprise Management capacity building events for upskilling local farmers and fisherfolk from the host communities of Tagoloan and Villanueva, in partnership with their respective LGU Municipal Agriculture Offices. The trainees were also assisted in establishing a trading post that optimizes their exposure to the market especially during pay days.
- FDC MPC played a key role in the Macalar Bay Integrated Coastal Management Program through the collection of marine wastes during coastal cleanups, the rehabilitation of the Soligao Creek tributary, and installation of artificial coral reefs that made use of fly ash from the power plant. The coastal cleanup event involved more than 60 volunteers including MPC employees, barangay staff and local students, resulting in the diversion of over 140 kg of residual and recyclable wastes from the waterways. A side event was held for kindergarten pupils

and their parents on the value of segregation and recycling. A separate workshop on the preparation and use of Bokashi balls as a natural approach for creek rehabilitation was undertaken with 50 residents of Poblacion 2, Villanueva.

- On top of the adoption of more than 200 hectares of carbon sequestration forests in Sambulawan, Misamis Oriental and Valencia, Bukidnon, FDC MPC also organized tree growing events with 25 volunteer students of Opol Community College (100 Narra seedlings in Malanang, Opol) and local volunteers organized by the local government of Villanueva (30 bamboo plants along Soligao Creek).



Resilience

The Filinvest Group's recent celebration of its 70th anniversary also marks a testament to the organization's long-term resilience. Over the past decades, the Group has navigated major societal and economic disruptions: the Martial Law period in the 1970s; the Philippines' economic collapse in the 1980s; the 1997 Asian Financial Crisis; the 2008 Global Financial Crisis; and, just as the second decade of the 21st century seemed to be closing without major upheaval, the emergence of the COVID19 pandemic in late 2019.

On the domestic front, Filinvest likewise endured the impacts of severe natural hazards. Typhoons Ondoy (2009), Yolanda (2013), and Odette (2021), alongside the series of strong earthquakes across the Philippine archipelago in 2025, caused significant operational disruptions and posed risks to both customers and employees.

Despite these events, the Group absorbed the shocks and continued to move forward. Yet it recognizes that future disruptions may be even more severe, driven by accelerating climate change—particularly acute for a highly vulnerable Philippines—and by geopolitical tensions affecting global markets. This reinforces the urgency of recalibrating its approach to emerging risks and adapting to their increasing complexity.

In response to these disruptions that occasionally affects the business, Filinvest adopted RESILIENCE as the third pillar of its sustainability agenda. To continue creating and delivering value in an environment defined by volatility, uncertainty, complexity, and ambiguity, the Group acknowledges the critical importance of strengthening the resilience and agility of its assets, operations, and people.

Resilience of Assets

The Filinvest Group continues to strengthen its resilience management approach in line with the United Nations' Sendai Framework and the emergent IFRS/ISSB S1 and S2 standards. Its strategy is anchored on the long-standing principle that resilient assets underpin business continuity, safeguard stakeholders, and support long-term value creation. Filinvest has publicly articulated its commitment to



retrofitting existing structures and ensuring that future assets are designed to withstand climate-related, geological, and manmade disruptions. Such measures reflect the Group's broader physical-risk mitigation philosophy, encompassing the real estate, hospitality, and industrial asset portfolio.

Within the real estate and hospitality businesses, Filinvest integrates knowledge of historical risk events into land-bank assessments and master plans. This includes evaluating environmental characteristics, hazard histories, and topographical features to align project concepts with site-specific risks. In the design of Festival Mall's original structure and expansion areas, for example, the mitigation of the flood impact from a swollen Alabang River was taken into consideration. For Hospitality, the lessons from destructive Typhoon Odette prompted the business unit to revise engineering specifications in its desire to "build back better" and adopt the same in building future assets.

In 2025, as part of its preparation for mandatory ISSB S2 climate-risk disclosures, FDC led a climate-risk assessment covering more than 350 built assets and raw land. The study modeled asset-level exposure across seven hazards—typhoons, flooding, storm surge, rainfall-induced landslides, extreme heat, water

stress, and sea-level rise—using climate scenarios such as SSP4-8.5 ('business-as-usual') and SSP2-4.5 ('middle-of-the-road'). The resulting exposure scores—derived primarily from GPS-based geospatial modeling that uses both local and global data—represent inherent risk ratings that still require on-the-ground validation to establish residual risk levels. Many assets already embody resilience features, but given projections of more severe climate impacts in the coming decades, the Group's business units will continue evaluating needs for re-engineering or, where necessary, asset retirement or disposal. The output of the climate risk assessment also informs Filinvest's ongoing recalibration of group-wide insurance strategies.

In 2025, Filinvest Development Corporation led the business units in the assessment of climate-related physical hazards under the SSP4-8.5 ('business as usual') and SSP2-4.5 ('middle of the road') climate scenarios, covering more than 350 assets.

Resilience of Operations

The Filinvest Group continues to enhance its management approach to operational excellence and organizational resilience by embedding structured, anticipatory planning across its diverse business units. Recognizing the evolving landscape of operational and environmental risks, the Group has prioritized the systematic reinforcement of business continuity frameworks to safeguard stakeholders, maintain service delivery, and support long-term business stability.

In 2025, Filinvest implemented substantial improvements to its business continuity protocols. Incident Action Plans across various properties were updated and elevated to Group-level review to ensure alignment, coherence, and consistency in governance of disruptions from property-level incidents to group-wide crises. To further unify risk-management practices, an interdisciplinary team drawn from FDC and its subsidiaries was convened to articulate a Group-wide set of crisis-management principles. These

principles now serve as a common foundation for developing a standard incident-management structure, defining incident-escalation pathways, shaping crisis-communications procedures, and establishing inter-subsidiary support mechanisms during disruptive events.



These collective efforts reinforce the Group's commitment to resilience by ensuring that all operational units operate under an integrated crisis-response philosophy. Through shared frameworks and coordinated governance, Filinvest aims to minimize response time, reduce operational uncertainty, and uphold continuity of services across its portfolio.

Looking ahead to 2026 and subsequent years, Filinvest plans to deepen its business continuity program by strengthening both pre-incident and post-incident protocols. Operations teams are preparing to conduct tabletop exercises as well as on-the-ground simulations to sharpen readiness and reinforce team capabilities. The Group also aims to ensure that preparedness extends beyond leadership and designated incident teams—empowering all employees with the knowledge and confidence needed to act decisively when a disruption hits. This

broad-based approach positions Filinvest to foster employees' malasakit, advance operational excellence and fortify enterprise-wide resilience in years to come.

Agility of the Organization for sustainable growth

Filinvest operates in a volatile, uncertain, complex, and ambiguous environment where disruption is structural rather than episodic. In response, the Group is deliberately shaping strategies and executing initiatives anchored on its core foundations. Resilience is understood not merely as recovery, but as the disciplined capacity to adapt, learn, and strengthen over time. Agility, likewise, is not improvisation but coordinated speed guided by strategic clarity. Organizational structure, people capabilities, leadership vision and tenacity, and standardized enterprise processes are intentionally leveraged as strategic enablers of both.

The Group continues to refine its organizational structure to enhance responsiveness while preserving accountability. Decision rights are clarified, layers streamlined, and cross-functional collaboration strengthened to improve information flow across business units and geographies. By reducing governance friction and empowering teams closer to operations, Filinvest is better positioned to respond decisively to supply chain disruptions, regulatory changes, and market volatility, while clearly defined accountabilities prevent fragmentation and duplication.

Strengthening people competencies remains a core adaptive priority. Beyond technical skills, Filinvest is cultivating critical and systems thinking, digital fluency, and cross-functional collaboration through continuous learning, leadership development, and talent mobility. These efforts equip the workforce to interpret complexity, anticipate second-order impacts, and collaborate effectively, reducing reliance on rigid playbooks and fostering informed experimentation and innovation.

Leadership vision and tenacity anchor execution across the enterprise. Leaders articulate a clear long-term direction and align operational decisions accordingly, even amid short-term volatility. Through transparent

communication and consistent modeling of resilience, leadership builds trust and psychological safety, enabling early risk identification, constructive learning, and disciplined adaptation. This balance of decisiveness and flexibility ensures that tactical adjustments reinforce—rather than dilute—strategic priorities.



Filinvest is cultivating critical and systems thinking, digital fluency, and cross-functional collaboration through continuous learning, leadership development, and talent mobility.

Standardized enterprise processes provide the disciplined backbone that supports agility. Consistent frameworks in risk management, procurement, compliance, and financial performance reporting enhance visibility, scalability, and control. Shared data definitions and reporting standards enable faster collaboration while embedding best practices and strong governance. Unification of procurement, leasing, enterprise asset management and enterprise resource planning platforms across the strategic and support business units of Filinvest is already on its second year of implementation. In this way, standardization becomes a platform for speed rather than a constraint.

Together, these four elements function as integrated levers within Filinvest's strategy. Responsive structures amplify empowered talent; visionary leadership aligns decentralized execution; standardized processes ensure disciplined delivery. Through this integration, resilience and agility are embedded as organizational capabilities, strengthening strategic foresight and positioning Filinvest to compete with confidence and endurance over the long term.



EESG Performance Index

A. ECONOMIC DISCLOSURES

Economic Performance

Filinvest manages the allocation of economic value to ensure that benefits arising from its operations are equitably distributed among employees, customers, suppliers, providers of capital, government, and host communities, anchored on the recognition that value is generated through the collective contributions of stakeholders across its value chain, who provide financial, manufactured, intellectual, human, social,

and natural capitals. Economic value retained is strategically reinvested to support business growth, strengthen innovation capabilities, expand employment opportunities, and contribute to the longterm development and resilience of communities where Filinvest operates. Through this approach, Filinvest reinforces inclusive growth, supports stakeholder wellbeing, and advances the creation of sustainable, longterm value consistent with its enterprise strategy and sustainabilityrelated risks and opportunities.

Direct Economic Value Generated and Distributed (GRI 201-1)	2023	2024	2025
	('000 PHP)	('000 PHP)	('000 PHP)
Direct economic value generated (revenue)	92,841,541	113,445,538	120,574,335
Direct economic value distributed			
a. Operating costs	35,813,153	44,338,639	40,633,013
b. Employee wages and benefits	10,789,350	12,747,050	12,806,971
c. Payments to suppliers and other operating costs	9,674,473	13,068,538	14,293,066
d. Dividends given to stockholders and interest payments to lenders (does not include principal debt payments)	9,282,473	10,546,874	11,664,499
e. Taxes paid to government	6,735,277	7,976,177	4,748,224
f. Community social investments (e.g. donations, CSR)	946		33,235

Procurement Practices

Filinvest manages its procurement practices to ensure that purchasing decisions are conducted in a manner that upholds fairness, transparency, and accountability, while supporting long-term value creation across its value chain. Procurement activities are guided by continually improving policies, ethical standards, and internal controls designed to promote integrity, prevent conflicts of interest, and ensure compliance with

applicable laws and regulations. These mechanisms provide reasonable assurance that transactions with vendors, contractors, consultants, and service providers are conducted on an arm's-length basis and in accordance with approved procurement procedures, consistent with the Group's broader governance and risk management frameworks.

Centralized procurement in the Filinvest Group was reorganized in 2025 by transferring processing of

all non-construction transactions to the FDC parent, while shared services company SharePro retained transactions related to construction. Both FDC and SharePro service most procurement needs of the entire

conglomerate. Some business units, however, retain some authority to procure industry-specific or locally-sourced inputs, particularly in hospitality operations.

Proportion of Spending on Local Suppliers (GRI 204-1)	2023	2024	2025
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	99%	81%	97%

Anti-corruption

Filinvest embeds ethical conduct and responsible governance into the way it directs and controls its businesses, recognizing integrity as a foundation for longterm value creation. Governance-related risks and conduct of business matters—including bribery and corruption, conflicts of interest, and fair competition—are managed through a formally established and recently updated Code of Business Conduct, which defines expected behaviors and decisionmaking standards for employees, officers and

relevant stakeholders. The Code functions as a key management instrument for promoting transparency, accountability, and compliance with applicable laws, while also providing accessible channels for raising concerns. To safeguard the integrity of these mechanisms, Filinvest maintains anti-retaliation provisions that protect individuals who report suspected misconduct in good faith. Through the consistent application of these policies and controls, the Group seeks to cultivate a culture of trust, fairness, and ethical responsibility across its operations.

Trainings on Anti-corruption Policies and Procedures (GRI 205-2)	2023	2024	2025
Percentage of employees who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of directors and management who have received anti-corruption training	100%	100%	100%
Percentage of employees who have received anti-corruption training	100%	100%	100%

Incidents of corruption (GRI 205-3)	2023	2024	2025
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with business partners were terminated due to corruption	0	0	0

B. ENVIRONMENT DISCLOSURES

Resource Management

Filinvest manages energyrelated impacts and climate transition risks through an integrated energy management strategy that prioritizes demandside efficiency while progressively shifting its energy mix toward lowercarbon sources. Across its operations, the Group reduces energy intensity by upgrading building systems, deploying efficient technologies, and strengthening operational controls

to limit avoidable consumption and improve asset performance. In parallel, and where technically and commercially feasible, Filinvest decreases exposure to fossil fuelbased electricity by sourcing power from renewable energy suppliers and by developing onsite generation capacity. This combined approach supports decarbonization objectives, enhances cost and energy resilience, and aligns energy use with the Group's broader climaterelated risk management and sustainability goals.

Energy Consumption (GRI 302-1)	Unit	2023	2024	2025
Gasoline	L	208,445	192,616	376,898
LPG	Kg	197,815	226,385	284,511
Diesel	L	3,328,692	4,073,231	5,100,271
Coal	Tonnes	912,918	1,510,953	1,476,305
Electricity (renewable) – common areas	KWH	6,624,488	11,267,418	55,137,917
Electricity (non-renewable) – common areas	KWH	68,431,615	67,734,755	57,683,212
Electricity (renewable) – total area in property mgt + real estate projects	KWH	43,553,016	55,093,812	95,446,816
Electricity (non-renewable) – total area in property mgt + real estate projects	KWH	392,195,256	465,653,739	168,456,741

Energy Consumption (GRI 302-1)	Unit	2023	2024	2025
Electricity (RE & non-RE) – total area in property mgt + real estate projects	KWH	435,748,272	520,747,550	263,903,557

Notes: Electricity of common areas in real estate refers to consumption that is under the control of the property managers. Filinvest has no control over the electricity consumption of tenants within the leased spaces. Renewables consumption are reported by both FILRT and non-FILRT assets. In 2025, seven non-FILRT assets of FLI started enjoying 100% supply of electricity sourced from renewables. The 2024 coal consumption figures were updated to incorporate both the actual feeder readings and corresponding variance, in alignment with the Department of Energy's revised 2024 monthly reporting template for coal utilization and purchases. Filinvest will apply this updated methodology in all subsequent reporting periods to ensure continued alignment with regulatory requirements.

Energy Consumption (GRI 302-1)	Unit	2023	2024	2025
Gasoline	GJ	7,129	6,587	12,890
LPG	GJ	9,752	11,161	14,026
Diesel	GJ	128,488	157,227	196,870
Coal	GJ	26,748,490	44,270,911	43,255,726
Electricity (renewable) – common area	GJ	23,848	40,563	198,497
Electricity (non-renewable) – common area	GJ	246,354	243,845	207,660
Electricity (renewable) – total area in property mgt + real estate projects	GJ	156,791	198,338	343,609
Electricity (non-renewable) – total area in property mgt + real estate projects	GJ	1,411,903	1,676,353	606,444
Electricity (RE & non-RE) – total area in property mgt + real estate projects	GJ	1,568,694	1,874,691	950,053

Notes: Conversion to GJ (energy densities): Gasoline – 0.0342 GJ/L; LPG – 0.0493 GJ/kg (in the Phils, LPG is 60% butane (0.0491 GJ/kg) and 40% propane (0.0496 GJ/kg); Diesel – 0.0386 GJ/L; Electricity – 0.0036 GJ per KWH; Coal – 29.3 GJ/tonne.

Filinvest manages water-related impacts by prioritizing responsible water use, resource efficiency, and the prevention of adverse effects on receiving water bodies. To reduce reliance on potable water supplies, the Group integrates water reuse and recycling solutions into its properties where technically and operationally feasible, particularly for non-domestic applications.

Wastewater generated from operations is treated through appropriate sewage and wastewater treatment facilities to meet applicable effluent quality standards and regulatory requirements, thereby mitigating pollution risks. Through these measures, Filinvest seeks to strengthen water stewardship, ensure regulatory compliance, and support long-term water security across its developments, particularly in its townships.

Water Withdrawal (in megaliters) (GRI 303-3)	2023	2024	2025
Surface water	472,562	1,528	2,142
Groundwater		140	413
Seawater (for desalination)		197	119
Seawater (for cooling water)		583,482	570,861
Third-party water		4,059	1,911
Produced water*		93	91
TOTAL		589,209	575,537

Notes: Granular data on water withdrawal information commenced in 2024.

Most of seawater withdrawal is non-consumptive as it was used as cooling water for the power plant operations; a very small portion is associated with desalination units of two hotels.

Water Consumption (in megaliters) (GRI 303-5)	2023	2024	2025
Water consumption	2,519	3,270	3,896

Note: Water consumption excludes cooling water abstracted by the power plant as these are mostly discharged back to the sea (non-consumptive use).

Filinvest manages material-related impacts by integrating resource efficiency and waste minimization considerations across the planning, construction, and operation of its projects. The Group seeks to limit material consumption and waste generation by promoting reuse, recycling, and recovery practices,

with the objective of extending the useful life of materials and improving efficiency across the asset lifecycle. Consistent with circular economy principles, Filinvest explores opportunities to close material loops both within its operations and through partnerships across the broader value chain.

Materials Used (in tonnes) (GRI 301-1)	2023	2024	2025
Non-renewable materials used	970,432	1,689,652	1,509,399
Steel	15,941	10,465	9,911
Cement	41,573	33,826	13,651

Materials Used (in tonnes) (GRI 301-1)	2023	2024	2025
Coal	912,918	1,510,953	1,476,305
Plastic Packaging*	Not reported	130	2,003
Detergent	Not reported	5	11
Limestone	Not reported	15,144	7,303
Sacks**	Not reported	119,129	216
Renewable materials used***	704,005	906,795	647,641
Cane	704,005	906,180	491,267
Paper	No report	21	72
Food Ingredients	Not reported	594	156,303
Recycled input materials used	64	9	0****
Recycled construction materials	64	9	0
TOTAL Materials Used	1,674,501	2,596,456	2,157,040

Notes: *Plastic packaging used in hospitality's back of house and front of house, particularly on F&B operations. Increase in reported values reflect improvements in tracking material flows.

**Sacks used in sugar milling.

*** 2024 totals for renewable and nonrenewable materials consumed were recomputed following the correction of food ingredients' classification—from previously recorded as nonrenewable to renewable materials. This restatement ensures accurate categorization and improved alignment with reporting standards.

****Percentage of recycled input materials (GRI 301-2) levels are too low to be reported.

Filinvest manages biodiversity-related considerations primarily through regulatory compliance, responsible land-use planning, and site-specific environmental controls, recognizing that the majority of its assets are not located in protected areas or regions of high biodiversity value. As part of the development process, projects are designed to minimize ecological disturbance through the incorporation of green spaces, landscaped areas, and native or climate-appropriate vegetation, where relevant. Where relevant, biodiversity risks are generally assessed and

addressed at the project level through environmental impact assessments and permitting requirements, with mitigation measures applied where development activities may interact with local ecosystems. Given the limited footprint of operations in biodiversity-sensitive areas, Filinvest's approach focuses on avoiding material adverse impacts, maintaining ecosystem services that support business operations, and complying with applicable environmental regulations rather than undertaking large-scale conservation interventions.

Ecosystems and Biodiversity	
Operational sites owned, leased in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Filinvest Land's developments are mostly located in highly populated areas where there is no immediate threat of human activity on biodiversity. FDC Utility's Misamis facility is located in a government-owned industrial estate, adjacent to a river and wetland but is not NIPAS protected. Filinvest Hospitality has two beachfront resorts which have coral reefs in the waters fronting the properties. These are considered as part of the attractions for the guests. It also operates the Timberland resort in a mountainous area, adjacent to but not within the buffer zone of the Upper Marikina River Basin Protected Landscape.
Habitats protected or restored	Since the launch of its Carbon Sink Management Program in 2018, the power subsidiary FDC Utilities has adopted 256 hectares of carbon forests across Sambulawan, El Salvador City and Laguindingan municipality in Misamis Oriental, as well as Maramag, Bukidnon. The company is also building partnerships with additional Mindanao communities to expand the program further. Crimson Resort and Spa Mactan has adopted the coral reef in front of its property and continues the restoration work on parts that were damaged by Typhoon Odette in December 2021.
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None. FDC Utilities has adopted a Philippine Eagle named 'Dagitab', rescued in Misamis Oriental 1984 for a gunshot injury and is now under the care of the Philippine Eagle Center in Davao City.

Environmental Impact Management

Filinvest manages its environmental impacts through an integrated approach that covers energy, water, wastewater, and solid and hazardous waste management, with sustainability and regulatory compliance as core principles guiding operations. This framework supports long-term environmental stewardship while ensuring adherence to applicable environmental standards across the Group.

Energy management emphasizes both efficiency improvements and the gradual shift toward renewable energy, achieved through technology upgrades, operational enhancements, and renewable sourcing where feasible to reduce emissions intensity. Pollution prevention is addressed through compliance with

air emissions and effluent regulations, supported by investments in wastewater treatment, effluent reuse for landscape irrigation where practicable, and emissions monitoring systems for industrial facilities.

In parallel, Filinvest advances responsible waste management by minimizing waste generation, promoting segregation and recycling, and engaging accredited partners for the proper handling and disposal of hazardous wastes. Circular economy principles are reinforced through collaborations that enable material recovery and recycling both within and beyond the Group's value chain.

Filinvest monitors and reports its Scope 1 and Scope 2 greenhouse gas (GHG) emissions, while actively tracking emissions avoided through energy efficiency

initiatives—such as district cooling systems—and the conversion of office and retail electricity supply to renewable sources. These actions complement the Group's energy transition aspiration to achieve a 50:50

renewable and conventional energy mix by 2033, while capacity-building efforts to expand Scope 3 emissions tracking are currently under development.

Greenhouse Gas Emissions, in tonnes CO ₂ -e (GRI 305-1, 305-2, 305-3, 305-6)	2023	2024	2025
Direct Emissions (Scope 1) – gasoline, diesel, LPG	12,710	12,923	16,552
Direct Emissions (Scope 1) – coal	1,751,962	2,744,328	2,681,397
Indirect Emissions (Scope 2) – purchased electricity for common areas in property mgt	48,737	48,241	38,891
Indirect Emissions (Scope 2) – purchased electricity for total areas in property mgt + projects	279,321	138,393	120,082
Total Scope 1 & 2 – common areas in property mgt	1,810,490	2,805,492	2,736,840
Total Scope 1 & 2 – total areas in property mgt + projects	2,043,994	2,895,644	2,818,031
Indirect Emissions (Scope 3)	Not reported	Not reported	Not reported
Avoided Scope 2 Emissions (Scope 4)	4,718	25,184	41,661
Emissions of ozone-depleting substances (ODS)	Not reported	Not reported	Not reported

Note: GHG Intensity (GRI 305-4) cannot be expressed in terms of unit product or service because of the diversity of Filinvest businesses. Scope 4 emissions are calculated based on common-area emissions, in line with the operational control approach.

Air Pollutant Emissions (GRI 305-7)	2023	2024	2025
Nitrogen oxides (NO _x)	307	479	211
Sulfur oxides (SO _x)	1,894	1,038	552
Persistent Organic Pollutants (POP)	N/A	N/A	N/A
Volatile organic compounds (VOC)	N/A	N/A	N/A
Hazardous air pollutants (HAP)	N/A	N/A	N/A
Particulate Matter (PM)	66	49	17

Note: Includes FDCUI's power plant emissions which are continuous. Only PM, NO_x and SO_x are deemed significant, as results of tests for other parameters such as heavy metals, HF and H₂S are below detection range. Emissions from other Filinvest units are deemed immaterial. Standby genset maintenance by property management units of the real estate business involves turning on the units only for a few minutes; airflow at stacks not enough to yield more than 1 gram of emissions.

Waste Generated (in tonnes) (GRI 306-3)	2023	2024	2025
I. Hazardous Waste Generated	312	110	161
II. Total Non-Hazardous Waste Generated	283,596	407,524	599,203
A. Reusable & Recyclable	242,607	385,180	583,443
B. Composted	25,910	4,559	1,071
C. Residuals (Landfilled)	15,079	17,785	14,689
Total Waste Generated	283,908	407,634	599,364

Waste Diverted from Disposal (in tonnes) (GRI 306-4)	2023	2024	2025		
Type of Waste	Recovery Operation & Location of Diversion not reported	Recovery Operation: Recycling & preparation for reuse Location: Offsite (see 2024 Annual Report)	Recovery Operation	Location of Diversion	Weight
I. Hazardous Waste Diverted from Disposal	16	3	Recycling	Offsite	11
II. Non-Hazardous Waste Diverted from Disposal	268,517	334,980			468,822
A. Recyclable	242,607	330,421	Recycling & preparation for reuse	Offsite	468,739
B. Composted	25,910	4,559	Recycling	Offsite	82
Total Waste Diverted from Disposal	268,533	334,983			468,833

Waste Directed to Disposal (in tonnes) (GRI 306-5)	2023	2024	2025		
Type of Waste	Recovery Operation & Location of Diversion not reported	Recovery Operation: Residual - Landfilling; Compostable - Other disposal operations Location: Offsite (see 2024 Annual Report)	Recovery Operation	Location of Diversion	Weight
I. Hazardous Waste Directed to Disposal	0	0	Other disposal operations	Offsite	6
II. Non-Hazardous Waste Directed to Disposal	15,079	20,101			15,501
A. Recyclable & reusable	0	0	Other disposal operations	Offsite	111
B. Residual	15,079	17,785	Landfilling	Offsite	14,686
C. Compostable	0	2,317	Other disposal operations	Offsite	704
Total Waste Directed to Disposal	15,079	20,101			15,507

Note: Previous years did not report the waste byproducts of the power plant and sugar businesses.

Effluents , in cubic meters (GRI 303-4)	2023	2024	2025
Wastewater generated (domestic/commercial only)	471,247,918	3,162,113	2,794,307
Treated wastewater discharged	470,042,401	2,663,501	2,293,081
Treated wastewater reused	796,947	498,612	501,225
Percent of effluent recycled	0.17%	16%*	18%
Used cooling water discharged		583,276,331	570,828,181

Notes: The bulk of discharges is the cooling water of FDC Misamis that is discharged out to sea, approximately 99% of the total water withdrawals of the Group. The wastewater generated by other units (real estate, hospitality, sugar and power's non-cooling water operations) is 2,794,307 m3, and approximately 18% of the wastewater treated (generated) is reused for landscape irrigation or recycled back into the industrial process units.

Effluent recycling percentage in 2024 is re-stated due to the shift to a new group-wide standard definition of percent reuse.

Environmental Compliance (GRI 2-27)	Unit	2023	2024	2025
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PHP	0	0	0

C. SOCIAL PERFORMANCE

Employee Management

Filinvest applies a merit-based and gender-inclusive approach to recruitment, career progression, and promotion, with decisions grounded on skills, performance, and professional potential. The Group seeks to cultivate a diverse and inclusive workplace by ensuring that opportunities for employment and advancement are accessible to

all, regardless of gender, and are evaluated using consistent and objective criteria. In parallel, Filinvest offers compensation and benefits packages that are benchmarked against prevailing Philippine market practices to promote fair and competitive remuneration. This approach supports the attraction and retention of high-quality talent while reinforcing the Group's commitment to equity, consistency, and responsible people management.

Employee Hiring and Benefits	2023			2024			2025		
	Total	M	F	Total	M	F	Total	M	F
Total number of regular employees	76 (FDC)	25 (FDC)	51 (FDC)	90 (FDC)	35 (FDC)	55 (FDC)	98 (FDC)	42 (FDC)	56 (FDC)
	12,979 (Group-wide)	5,581 (Group-wide)	7,398 (Group-wide)	12,543 (Group-wide)	5,340 (Group-wide)	7,203 (Group-wide)	13,041 (Group-wide)	5,639 (Group-wide)	7,402 (Group-wide)
Voluntary attrition rate	25% (FDC)			35% (FDC)			24% (FDC)		
	18% (Group-wide)			15% (Group-wide)			15% (Group-wide)		
Ratio of lowest paid employee against minimum wage	1.04			1.0			1.0		

Notes: Employment figures are based on end of year. Seconded employees from parent companies are not double counted. As of end-2025, there are a total of 915 probationary employees.

Employee Training and Development

Filinvest has established a Group-wide set of core and leadership competencies that provide a common foundation for talent development across its subsidiaries, complemented by role-specific functional competency frameworks with defined proficiency levels. These competency models enable systematic assessment of individual capability gaps, inform career planning discussions, and serve as the basis for the formulation of Individual Development Plans (IDPs) aligned with both current role requirements and

longer-term career pathways. To support continuous growth, Filinvest invests in a range of development and upskilling interventions designed to strengthen technical, leadership, and behavioral competencies. These include structured training programs delivered through in-person and digital platforms, experiential learning through on-the-job application and stretch assignments, and guided development via mentoring and coaching—ensuring that employees are provided with the tools, opportunities, and support needed to build competencies and realize their full potential.

Employee Training and Development (GRI 404-1)	2023			2024			2025		
	Total	M	F	Total	M	F	Total	M	F
Total training hours provided to employees	896,868	281,922	614,946	834,275	313,436	520,839	966,377	407,719	558,658
Average training hours provided to employees	52.59	46.40	56.02	60.14	52.46	65.95	68.73	66.18	70.72

Note: Formula used to calculate average training hours per employee based on GRI 404-1

Average training hours per employee = Total number of training hours provided to employees/Total number of employees

Labor Management Relations

Filinvest manages labor relations through policies and practices that promote compliance with applicable labor laws, respect for workers' rights, and constructive employee engagement across its operations. The Group's Code of Business Conduct and human capital policies provide clear standards on equal opportunity, workplace conduct, occupational health and safety, and grievance handling, supported by regular communication and accessible reporting

channels. Labor-related risks and compliance obligations are monitored as part of Filinvest's broader governance and risk management framework, with oversight mechanisms in place to address regulatory requirements, workplace safety, and employee concerns. Through these measures, Filinvest seeks to maintain stable labor relations, uphold legal and ethical employment practices, and support workforce well-being in a manner consistent with long-term business sustainability.

Labor Management Relations	2023			2024			2025		
	Total	M	F	Total	M	F	Total	M	F
% of employees covered by Collective Bargaining Agreements	130			1% of group-wide regular employees (125* out of 12,543 regular employees)			1% of group-wide regular employees (113* out of 13,041 regular employees)		
Number of consultations conducted with employees concerning employee related policies	2			0			0		

* Davao Sugar has a collective bargaining agreement with its employees' union, the only duly recognized workers' union in the Filinvest Group to date.

Diversity and Equal Opportunity

(See management approach on Employee Management disclosure above.)

Diversity and Equal Opportunity (GRI 405-1)	2023			2024			2025		
	Total	M	F	Total	M	F	Total	M	F
% of Board members by gender (FDC)	100%	57%	43%	100%	57%	43%	100%	33%	67%
% of executives by gender (FDC)	100%	52%	48%	100%	51%	49%	100%	57%	43%
% of executives by gender (Group-wide)	100%	50.1%	49.9%	100%	51%	49%	100%	53%	47%
% of employees by gender	100%	43.1%	56.9%	100%	43%	57%	100%	44%	56%
Number of employees from indigenous communities and/or vulnerable sector	1	1	0	1	1	0	3*	1	2

Notes: There are three employees with disabilities across hospitality operations: an employee with hearing and speech impairment at Quest Hotel Cebu (housekeeping supervisor); an indigenous employee with disability assigned to Grafik Pine House Baguio (waitstaff); and one employee with disability at Quest Clark (linen attendant). As of end of 2025 the Baguio hotel is not yet open to the public but staff training had been ongoing.

Workplace Conditions and Occupational Health and Safety

Filinvest maintains a conservative risk appetite for fire and life safety risks, placing the well-being and protection of employees, customers, contractors, service providers, and the wider public at the core of its operational priorities. These risks are managed through integrated safety policies, preventive and corrective controls, emergency preparedness and response protocols, and regular inspections and drills, all designed to support both physical safety and employee wellness across workplaces.

Fire and life safety considerations are embedded within the Group's enterprise risk management framework, with increasing emphasis on strengthening operational risk management at the subsidiary level. Through systematic risk identification, monitoring of control effectiveness, and continuous improvement of safety practices, Filinvest seeks to reduce incident exposure, enhance workforce resilience, and ensure consistent compliance with occupational health, safety, and regulatory requirements across its operations.

Occupational Health and Safety	2023	2024	2025
Safe manhours (employees)	29,155,505	29,754,208	28,399,221
Safe manhours (service providers)	39,610,397	20,750,938	14,874,179
Safe manhours (project contractors)	20,052,239	15,806,962	14,202,839
Number of work-related injuries	12	8	2
Number of work-related fatalities	0	0	0
Number of work-related ill-health	2	0	0
Number of safety drills	1602	1,108	639

Notes: Decrease in safe manhours of non-Filinvest employees are attributed to operational efficiency measures in the real estate leasing business.

Labor Standards and Human Rights

Filinvest upholds fairness and respect for human rights across all aspects of labor management, guided by applicable labor laws, ethical standards, and the Group's Code of Business Conduct. Employment practices are designed to safeguard workers' rights, prevent discrimination, and promote dignity and equal opportunity, while providing accessible channels for employees to raise concerns or report potential

violations without fear of retaliation. Through these policies and controls, Filinvest seeks to foster a respectful, inclusive, and safe workplace, where fair treatment is embedded in daily operations and people management decisions. Labor standards and human rights considerations are monitored as part of the Group's broader governance and risk management processes, supporting regulatory compliance, employee well-being, and stable labor relations across its businesses.

Labor Laws and Human Rights	2023	2024	2025
Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying in the workplace)	4	4	4
Number of legal actions or employee grievances involving forced or child labor	0	0	0

Relationship with Community

Filinvest contributes to the sustainable development of the communities in which it operates by integrating social impact considerations into its business activities and stakeholder engagements. Through employment generation, support for local enterprises, and partnerships with community stakeholders, the Group seeks to strengthen local economies and promote

inclusive growth. These efforts are complemented by corporate social investments undertaken by Filinvest subsidiaries as well as the parent of FDC, which focus on priority areas such as education, health, environmental stewardship, and community resilience. Collectively, these initiatives aim to enhance quality of life, build long-term community well-being, and reinforce positive, mutually beneficial relationships with host communities.

Significant Impacts on Local Communities	2023	2024	2025
For operations affecting IPs, total number of Free and Informed Prior Consent (FPIC) consultations and Certification Preconditions (CPs) secured	1*	1*	1*

* FDC Utilities engages with three IP communities in Nueva Viscaya and Pangasinan for its Pampang mini-hydro project.

Customer Management

Customer needs and expectations are central to how Filinvest designs, delivers, and continuously improves its products and services. Guided by a strong commitment to customer centricity, the Group actively seeks to understand evolving customer requirements and respond with timely, reliable, and relevant solutions that enhance overall customer experience and

satisfaction. At the same time, Filinvest recognizes that trust is a critical component of customer relationships. The Group safeguards customer privacy and data through robust policies, secure systems, and compliance with applicable data protection regulations, supported by appropriate technologies and controls to preserve the confidentiality, integrity, and responsible use of customer information.

Customer Satisfaction	
Customer Satisfaction Score	Due to the diversity in Filinvest's operations, customer satisfaction scores are measured and reported by the business units in their own disclosures, e.g. EastWest, Filinvest Land, Filinvest REIT & Filinvest Hospitality.

Product/Service Health and Safety	
Number of substantiated complaints on product or service health and safety	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic.
Number of complaints addressed	In 2025, there have been no reported significant health and safety-related complaints from customers or the general public.

Marketing and Labeling	
Number of substantiated complaints on product or service health and safety	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic. In 2025, there have been no reported significant complaints on product or service marketing and labeling.
Number of complaints addressed	

Customer Privacy	
Number of substantiated complaints on customer privacy	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic. In 2025 there have been no significant incidents or complaints on customer privacy or data loss in any of the operations of the Filinvest subsidiaries.
Number of complaints addressed	
Number of customers, users and account holders whose information is used for secondary purposes	

Data Security	2023	2024	2025
Number of data breaches, including leaks, thefts and loss of data	0	0	0

SEC Content Index

Disclosures	Reporting location	Remarks/ explanation
Company details		
Name of Organization	About This Report	Filinvest Development Corporation
Location of Headquarters		6th Floor, The Beaufort 5 th Ave, Bonifacio Global City, Taguig
Location of Operations		Philippines
Report Boundary: Legal entities included in this report		FDC, FLI (incl FILRT), FAI, FHC, FDCUI, PSHC, EW
Business Model		Property Development and Operations, Hospitality, Utilities, Sugar & Financial Services
Reporting Period		January 1 to December 31, 2025
Highest Ranking Person for this report		Mark Mulingbayan, Chief Sustainability Officer, sustainability@filinvestgroup.com

A. Economic disclosures		Reporting location	Remarks/ explanation
Economic Performance			
Direct Economic Value Generated and Distributed			
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Sustainability Governance; Scope of ESG Disclosures; Materiality and Stakeholder Engagement; Filinvest Group’s Sustainability Framework	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Direct economic value generated (Revenue)	EESG Performance Index – Economic Disclosures	
	Direct economic value distributed		
Climate-Related Risks and Opportunities			
General Disclosures	Governance	Sustainability and regeneration across seven decades and beyond – Sustainability Governance; Filinvest Group’s Sustainability Framework; Enterprise Risk Management Section	
	Strategy		
	Risk Management		
	Metrics and Targets		
Procurement Practices			
Proportion of Spending on Local Suppliers			
General Disclosures	Management Approach	EESG Performance Index – Economic Disclosures	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPI	Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		

Anti-Corruption				
Training on Anti-Corruption Policies and Procedures				
General Disclosures	Management Approach		Corporate Governance Report	More information can be found in the Corporate Governance disclosures in the Integrated Report
	The Impact and Where it Occurs			
	Stakeholders Affected			
KPIs	Percentage of employees who have received written communication about corporate anti-corruption policies and procedures		EESG Performance Index – Economic Disclosures	
	Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures			
	Percentage of directors and management who have received anti-corruption training			
	Percentage of employees who have received anti-corruption training			
Incidents of Corruption				
General Disclosures	Management Approach		Corporate Governance Report	More information can be found in the Corporate Governance disclosures in the Integrated Report
	The Impact and Where it Occurs			
	Stakeholders Affected			
KPIs	Number of incidents in which directors were removed or disciplined for corruption		EESG Performance Index – Economic Disclosures	
	Number of incidents in which employees were dismissed or disciplined for corruption			
	Number of incidents when contracts with business partners were terminated due to corruption			

B. Environment Disclosures		Reporting location	Remarks/ explanation
Resource Management			
Energy consumption within the organization and Reduction of Energy Consumption			
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Filinvest Group’s Sustainability Framework	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Energy consumption - by fuel type	‘Green’ Section	EESG Performance Index – Environment Disclosures
	Energy reduction - by fuel type		
Water consumption within the organization			
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Filinvest Group’s Sustainability Framework	
	The Impact and Where it Occurs		
	Stakeholders Affected		
	ESG Risks and Opportunities		
KPIs	Water consumption within the organization	‘Green’ Section	EESG Performance Index – Environment Disclosures
	Water withdrawal		
	Water consumption		
	Water recycled and reused		
Materials Used by the Organization			
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Filinvest Group’s Sustainability Framework	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Materials used by weight or volume	‘Green’ Section	EESG Performance Index – Environment Disclosures
	Percentage of recycled input materials used to manufacture the organization’s primary products and services		

Ecosystems and Biodiversity		
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Filinvest Group’s Sustainability Framework
	The Impact and Where it Occurs	
	Stakeholders Affected	
KPIs	Operational sites owned, leased in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	‘Green’ Section
	Habitats protected or restored	
	IUCN Red List species and national conservation list species with habitats in areas affected by operations	EESG Performance Index – Environment Disclosures
Environmental Impact Management		
Air Emissions - Green House Gasses (GHG)		
General Disclosures	Management Approach	Sustainability and regeneration across seven decades and beyond – Filinvest Group’s Sustainability Framework
	The Impact and Where it Occurs	
	Stakeholders Affected	
	ESG Risks and Opportunities	‘Green’ Section
KPIs	Direct (Scope 1) GHG Emissions	EESG Performance Index – Environment Disclosures
	Energy indirect (Scope 2) GHG Emissions	
	Emissions of ozone-depleting substances (ODS)	-- Not material.

Air Pollutants			
General Disclosures	Management Approach	EESG Performance Index – Environment Disclosures	Emissions from the gensets in property management of the real estate subsidiary are deemed negligible. Gensets are only turned on for preventive maintenance since 2024 did not witness extensive power outages. The power plant in Misamis has a continuous emissions monitoring system that tracks particulate matter, SOx and NOx.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Nitrogen oxides (NOx)		
	Sulfur oxides (SOx)		
	Persistent organic pollutants (POPs)		
	Volatile organic compounds (VOCs)		
	Hazardous air pollutants (HAPs)		
	Particulate matter (PM)		
Solid Waste			
General Disclosures	Management Approach	'Green' section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPI	Total solid waste generated - by type	EESG Performance Index – Environment Disclosures	
Hazardous Waste			
General Disclosures	Management Approach	'Green' section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total weight of hazardous waste generated	EESG Performance Index – Environment Disclosures	
	Total weight of hazardous waste transported		

Effluents		
General Disclosures	Management Approach	'Green' section
	The Impact and Where it Occurs	
	Stakeholders Affected	
KPIs	Total volume of water discharges	EESG Performance Index – Environment Disclosures
	Percent of wastewater recycled	
Environmental Compliance		
Non-compliance with environmental laws and regulations		
General Disclosures	Management Approach	'Green' section
	The Impact and Where it Occurs	
	Stakeholders Affected	
KPIs	Total amount of monetary fines for non-compliance with environmental laws and/or regulations	EESG Performance Index – Environment Disclosures
	Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	
	Number of cases resolved through a dispute resolution mechanism	

C. Social Disclosures		Reporting location	Remarks/ explanation
Employee Management			
Employee Hiring and Benefits			
General Disclosures	Management Approach	'Inclusive' section	
	The Impact and Where it Occurs		
KPIs	Total number of employees	EESG Performance Index – Social Performance	
	Attrition rate		
	Ratio of lowest paid employee against minimum wage		
	List of employee benefits		
Employee Training and Development			
General Disclosures	Management Approach	'Inclusive' section	
	The Impact and Where it Occurs		
KPIs	Total training hours provided to employees (by male/female)	EESG Performance Index – Social Performance	
	Average training hours provided to employees (by male/female)		
Labor Management Relations			
General Disclosures	Management Approach	EESG Performance Index – Social Performance	
	The Impact and Where it Occurs		
KPIs	% of employees covered by Collective Bargaining Agreements		
	Number of consultations conducted with employees concerning employee-related policies		

Diversity and Equal Opportunity		
General Disclosures	Management Approach	'Inclusive' section
	The Impact and Where it Occurs	
KPIs	% of female workers in the workforce	EESG Performance Index – Social Performance
	% of male workers in the workforce	
	Number of employees from indigenous communities and/or vulnerable sector	
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety		
General Disclosures	Management Approach	'Inclusive' section
	The Impact and Where it Occurs	
KPIs	Safe Man-Hours	EESG Performance Index – Social Performance
	No. of work-related injuries	
	No. of work-related fatalities	
	No. of work-related ill-health	
	No. of safety drills	
Labor Laws and Human Rights		
General Disclosures	Management Approach	EESG Performance Index – Social Performance
	The Impact and Where it Occurs	
KPIs	Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace	
	No. of legal actions or employee grievances involving forced or child labor	

Supply Chain Management				
Supplier Accreditation and Screening				
General Disclosures	Management Approach		EESG Performance Index – Economic Disclosures	
	The Impact and Where it Occurs			
KPIs	Supplier Accreditation Policy			
	Sustainability Topics Considered			
	When Selecting/Screening Suppliers			
Relationship with Community				
Significant Impacts on Local Communities				
General Disclosures	Management Approach		EESG Performance Index – Social Performance	
	Operations with significant impacts on local communities (by location, vulnerable group/indigenous people (IPs))			
KPIs	Mitigating measures (if negative) or enhancement measures (if positive)			
	For operations affecting IPs, total number of Free and Prior Informed Consent (FPIC) consultations and Certification Preconditions (CPs) secured			
Customer Management				
Customer Satisfaction				
General Disclosures	Management Approach		EESG Performance Index – Social Performance	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs			
KPI	Customer Satisfaction Score(s)			

Health and Safety			
General Disclosures	Management Approach	EESG Performance Index – Social Performance	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on product or service health and safety		
	Number of complaints addressed		
Marketing and Labelling			
General Disclosures	Management Approach	EESG Performance Index – Social Performance	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on marketing and labelling		
	Number of complaints addressed		
Customer Privacy			
General Disclosures	Management Approach	EESG Performance Index – Social Performance	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on customer privacy		
	Number of complaints addressed		
	Number of customers, users and account holders whose information is used for secondary purposes		
Data Security			
General Disclosures	Management Approach	EESG Performance Index – Social Performance	
	The Impact and Where it Occurs		
KPI	No. of data breaches, including leaks, thefts and losses of data	Enterprise Risk Management section	

Global Reporting Initiative (GRI)

Content Index

Statement of use	Filinvest Development Corporation has reported the information cited in this GRI content index for the period January 1 to December 31, 202, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 2: General Disclosures 2021	2-1 Organizational details		
	2-2 Entities included in the organization's sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information		
	2-5 External assurance		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees		
	2-8 Workers who are not employees		
	2-9 Governance structure and composition		
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest		
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		
	2-18 Evaluation of the performance of the highest governance body		
	2-19 Remuneration policies		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy		
	2-23 Policy commitments		
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations		
	2-28 Membership associations		
	2-29 Approach to stakeholder engagement		
	2-30 Collective bargaining agreements		
GRI 3: Material Topics 2021	3-1 Process to determine material topics		
	3-2 List of material topics		
	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		
	201-2 Financial implications and other risks and opportunities due to climate change		
	201-3 Defined benefit plan obligations and other retirement plans		
	201-4 Financial assistance received from government		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		
	202-2 Proportion of senior management hired from the local community		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		
	203-2 Significant indirect economic impacts		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
GRI 207: Tax 2019	207-1 Approach to tax		
	207-2 Tax governance, control, and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-country reporting		
GRI 301: Materials 2016	301-1 Materials used by weight or volume		
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 302: Energy 2016	302-1 Energy consumption within the organization		
	302-2 Energy consumption outside of the organization		
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		
	302-5 Reductions in energy requirements of products and services		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-4 Water discharge		
	303-5 Water consumption		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-3 Habitats protected or restored		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	305-6 Emissions of ozone-depleting substances (ODS)		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	401-3 Parental leave		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		
	405-2 Ratio of basic salary and remuneration of women to men		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		

GRI STANDARD	DISCLOSURE	LOCATION/ PAGE	REASON/EXPLANATION FOR OMISSION
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		
	413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1 Political contributions		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by Filinvest Development Corporation ('FDC' or 'the Company', Securities and Exchange Commission Identification Number: 51048) to undertake an independent assurance of the Company's sustainability/non-financial disclosures in its Sustainability Report covering the calendar 2025 (hereafter referred as 'Report').

The disclosures have been prepared by FDC:

- in reference to the requirements of the Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators with respect to Greenhouse gases.

The intended user of this assurance statement is the Management of FDC.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of FDC and of the Assurance Provider

The Management of FDC has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and, ensuring the quality and consistency of the information presented in the Report. FDC is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a limited level of assurance of the information on non-financial performance which was disclosed in the Report prepared by FDC based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01 January 2025 to 31 December 2025. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering the Company's operations as described in the 'Regenerating Value' section of the report.

Boundary of the assessment covers the performance of FDC operations in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers all FDC's subsidiaries (Filinvest Development Corporation, EastWest Banking Corporation and Subsidiaries, Filinvest Land Inc. and Subsidiaries, and Filinvest Alabang Inc, Filinvest Hospitality Corporation and Subsidiaries and Chroma Hospitality Inc, FDC Utilities Inc and Subsidiaries, Pacific Sugar Holdings Corporation and Subsidiaries).

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility for the financial data reported in the Integrated report of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.



- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of FDC. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in the report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees. We interviewed those with overall responsibility for monitoring, data collation and reporting the selected indicators.
The DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared in all material aspects, in accordance with the reporting criteria. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain™ and the GRI Reporting Principles applicable to the disclosure of selected subject matter.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report describes the materiality assessment process, detailing how sustainability factors were identified, drawing on stakeholder surveys, industry and peer input, and assessment results based on financial significance to the business and their impacts on the economy, environment, and society. The resulting list of material topics has been prioritized, reviewed and validated by the Company.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report explains the stakeholder engagement process in the "Stakeholder Engagement" section. FDC has engaged key stakeholders through pertinent relationship holders within the Company to gather insights into sustainability issues, concerns, and expectations. The feedback from stakeholders was collected through various modes of engagement, consolidated and analyzed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.



Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

FDC employs data management systems to monitor, track, and consolidate key sustainability disclosures across its reporting boundaries. Most of the information reviewed and validated through our assessments with FDC's management teams and process owners at the sampled site was found to be accurate and reliable. Minor data inaccuracies identified during the verification process of sample data sets were attributed to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction, and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report presents the Company's performance, governance and approaches related to the environmental, social and governance issues that it has identified as material for its business coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report explains the content and presents the disclosures related to FDC's performance during the reporting period in a neutral tone considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - *Conformity assessment - General principles are requirements for validation and verification bodies* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of FDC.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

Gangwar, Vishal Digitally signed by Gangwar, Vishal Date: 2026.04.13 15:58:58 +08'00'	Kim, So Hyun Digitally signed by Kim, So Hyun Date: 2026.04.13 19:47:10 +09'00'
Vishal Gangwar Lead Verifier, Sustainability Services	So Hyun Kim Assurance Reviewer, Sustainability Services

Justine Repalam (Verifier)

13 Apr 2026

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¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

Annex I

Verified disclosures:

1) GRI Standards 2021

GRI	Indicator
2: General Disclosure	2-7 Employees
	2-30 Collective bargaining agreements
201	201-1 Direct economic value generated and distributed
204	204-1 Proportion of spending on local suppliers
205	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
301	301-1 Materials used by weight or volume
	301-2 Recycled input materials used
302	302-1 Energy consumption within the organization
303	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
304	304-1 Operational sites, owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas
	304-3 Habitats protected or restored
305	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other Indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
306	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
401	401-1 New employee hires and employee turnover
	401-3 Parental leave
403	403-9 Work-related injuries
	403-10 Work-related ill health
404	404-1 Average hours of training per year per employee
405	405-1 Diversity of governance bodies and employees
413	413-1 Operations with local community engagement, impact assessments, and development programs
418	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Annex II

Sites selected for On-site audits

S.no	Site	Location
1.	FDC Misamis 3 x 135 MW Circulating Fluidized Bed (CFB) Thermal Power Plant	PHIVIDEK Industrial Estate, Villanueva, Misamis Oriental
2.	FLI Alabang Office	Vector One Bldg. Northgate Cyberzone, Filinvest City, Alabang