

From Good to Great

AXA Philippines Annual Report 2025

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A message from our Chairman

Our purpose pushes us to create lasting value for our stakeholders.

In 2025, AXA Philippines operated in an environment marked by economic headwinds and evolving market needs. While the country's Gross Domestic Product (GDP) growth slowed to 4.4%, below the government's target range of 5.5% to 6.5%, the finance and insurance sector remained a meaningful contributor to economic activity. Against this, AXA Philippines stayed focused on disciplined execution, innovation, and long-term value creation.

The Company continued to strengthen its position by diversifying its business and channel mix, generating total premiums of PHP 31.2 billion and net income of PHP2.5 billion. These results reflect the resilience of our business model, the strength of our partnerships, and management's consistent delivery against strategic priorities.

Equally important to our performance is the strength of the governance framework that supports the business. In 2025, AXA Philippines was honored with the prestigious Golden Arrow Award as one of the Top Performing Insurance Companies in the Philippines, affirming the Company's commitment to high standards of corporate governance. This recognition reflects the collective efforts of the Board, management, and the broader organization to uphold accountability, transparency, ethical leadership, and long-term stakeholder value creation.

"Our purpose pushes us to create lasting value for our stakeholders."

Our long-standing partnership with Metropolitan Bank and Trust Company (Metrobank) remained a key pillar of the business, supporting continued growth in bancassurance through stronger collaboration and sustained productivity. At the same time, the Company took important steps to reinforce its agency business, laying the groundwork for a more sustainable and competitive agency ecosystem in the years ahead.

Now in its 26th year, AXA Philippines remains steadfast in its noble purpose of acting for human progress by protecting what matters to Filipinos. As the protection needs of individuals, families, and businesses continue to evolve, the Company remains committed to advancing financial protection in the country — not only through its solutions, but also by helping build greater awareness and preparedness for life's many risks.

Just as important is our continued focus on delivering value beyond financial results. The Company remained attentive to customer experience and satisfaction, while taking deliberate steps to support long-term sustainability through stronger persistency and retention. Beyond the business, AXA Philippines also continued to uphold its commitment to communities through volunteerism and partnerships with organizations that enable meaningful social impact.

These accomplishments were made possible by the dedication of management and employees, whose efforts continue to strengthen the organization and deepen its relevance to the people and communities we serve. On behalf of the Board, I extend my appreciation to our customers, partners, shareholders, regulators, and employees for their continued trust and support.

As we look ahead, the Board remains confident in AXA Philippines' strategic direction and its ability to create sustainable value for all stakeholders. Guided by strong governance, a clear sense of purpose, and the collective ambition embodied in One Great AXA, we remain committed to building a stronger, more resilient future — and to helping secure a protected tomorrow for every Filipino.

Solomon Cua
Chairman
AXA Philippines



A message from our CEO

"Our strong business performance in 2025 affirms our resilience and agility."

As we reflect on 2025, I am proud to share that AXA Philippines closed the year from a position of strength.

Despite a dynamic and often challenging environment, we demonstrated resilience, focus, and discipline—qualities that underpin everything we do. Every individual, team, and function stepped up, turning our strategic plans into tangible results. Together, as One AXA Family, we have proven that our collective effort is our greatest strength.

Our strong business performance in 2025 affirms both our resilience and agility. We achieved double-digit growth in Premium Income (Life) and Gross Written Premiums (General Insurance), driven by continued improvements in technical profitability—higher New Business Value in Life and improved Combined Ratios in General Insurance. This performance was supported by robust revenue momentum, a stronger business mix, and disciplined cost management. Our focus on enhancing persistency and customer retention remains a cornerstone of our long-term sustainability, ensuring that we continue to deliver value to our customers and stakeholders.

We further strengthened our protection and wealth offerings by expanding our insurance product suite and enhancing our investment solutions to better address the evolving needs of our customers.

Strategic execution across our growth pillars has been instrumental. Our Bancassurance channel maintained its pivotal role, supported by enhanced productivity and stronger partnerships. At the same time, our Agency channel continues to stabilize, laying the groundwork for sustainable growth, with a clear vision of building the market's best-in-class agency ecosystem.

In Corporate Solutions and Employee Benefits, we delivered solid growth driven by strong inflows from AXA Group and affiliate accounts. Meanwhile, our General Insurance lines across Retail and Commercial segments sustained momentum through scaled initiatives and improved operational efficiencies.

We also broadened our General Insurance solutions with a new offering for the Micro, Small, and Medium Enterprises (MSME) sector, while further enhancing our Group Personal Accident plans.

Our ongoing investments in digitalization, automation, and operational simplification are yielding positive results—improving execution efficiency and enhancing the overall customer experience.

At the same time, our efforts in innovation and customer protection earned industry recognition. We were named International General Insurer of the Year and received the Health Insurance Initiative of the Year award at the Insurance Asia Awards. We also garnered multiple accolades for our digital initiatives, including Best Mobile Insurance App (Emma by AXA PH), Outstanding Digital CX, and recognition for our travel and health insurance campaigns.

Overall, 2025 was a year of disciplined execution, balanced growth, and strong financial performance. It has positioned us well for continued, sustainable growth. As we move forward, I am confident that together, we will build on this momentum—continuing our journey from good to great—and serve our customers with purpose and excellence.

Thank you for your dedication. Let us keep forging ahead and boldly striving to reach even greater heights.

Ayman Kandil
President and CEO
AXA Philippines

1 AXA Philippines Overview

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1.1 Our Philosophy

Our Mission and Purpose

We are in the business of protection.
At AXA, we act for human progress by protecting what matters.
We stand with individuals, families, and businesses so they can move forward with confidence in an uncertain world.
AXA empowers you to progress and make bold choices for your life, health, and future.

Vision

Our vision is to transform our relationship with our customers from payer to partner.
We at AXA Philippines continue to strengthen our value proposition by complementing insurance services that deepen protection, making it more accessible to Filipinos, so they remain protected across the various stages of their life.

Values

Our values guide how we work and show up for customers, employees, partners, and communities.



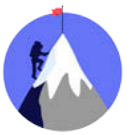
Customer First

All our thinking starts with the customer.
We consider the way they live so that we continue to be relevant and impactful.



Integrity

We are guided by strong moral principles.
We trust our judgement to do the right thing for our customers, employees, stakeholders, and partners.



Courage

We speak our mind and act to make things happen.
We push the boundaries and take daring actions to find new ways to add value to the lives of our customers, employees, partners, and the communities we operate in.



One AXA

Being together and being different, makes us better.
We are stronger when collaborating and acting as one inclusive team.

AXA is a global leader in financial protection
engaged in three main lines of business:

HEALTH PROTECTION

PROPERTY AND LIFE PROTECTION

SAVINGS AND ASSET PROTECTION

We now have:

NO. OF EMPLOYEES GLOBALLY:

156,000

WORLDWIDE SERVING:

more than 92 million customers

WITH A PRESENCE IN:

52 countries



AXA Philippines at a Glance

Strong roots. Stronger future.

Established in 1999 as one of the first bancassurance operations in the country, AXA Philippines is a joint venture between AXA Group (45%) and the Metrobank Group (GT Capital and Metrobank 54%). Through its bancassurance partnerships with Metrobank and PSBank, it further solidifies its portfolio of financial solutions for every Filipino.

The successful merger in 2022 of AXA Philippines with its wholly owned subsidiary, Charter Ping An Insurance Corporation marked an important milestone in its growth journey. It strengthened the company's ability to serve clients more effectively and efficiently through a comprehensive suite of life and non-life insurance solutions.

As one of the largest and fastest growing insurance companies in the Philippines, AXA Philippines offers holistic protection solutions to Filipinos and operate as the first multinational insurance company with a composite license to offer both life and non-life products that meet every need across retail and commercial customer segments.

AXA Philippines also remains as one of the leading players in the Philippines Life Insurance Industry, ending 2025 with PHP36 billion in premium income.[1]

[1] Based on December 31, 2025 Insurance Commission data on a consolidated channels basis

Corporate Objectives

We are committed to driving sustainable, profitable growth across our core businesses, guided by financial discipline and a clear focus on long-term value creation.

To deliver on our strategy, we continuously strengthen our execution and operational effectiveness, simplify ways of working, and elevate customer value through consistent service excellence. We uphold strong corporate governance, risk management, and internal controls in alignment with regulatory and Board expectations, while also building operational capability and culture by investing in leadership, talent development, employee engagement, and sustainability-focused stakeholder stewardship in line with AXA's purpose and responsible business practices.



1.2 Awards and Recognitions

Best Travel Insurance for Single Trip
Tripzilla Excellence Awards 2025

Platinum Seal Travel Insurance Category
Reader's Digest Trusted Brands Awards

International General Insurer of the Year (AXA Philippines)
Insurance Asia Awards



Finalist: Brand Strategy and Brand Awareness Categories (AXA Smart Traveller GO BIG Campaign)
Marketing Excellence Awards



Silver Award:Most Innovative Public Relations Campaign (AXA Smart Traveller GO BIG Campaign)
Marketech NEXT Awards 2025

Gold Seal Health Insurance Category
Reader's Digest Trusted Brands Awards

Gold Seal Life Insurance Category
Reader's Digest Trusted Brands Awards

Health Insurance Initiative of the Year (AXA Health Max Elite)
Insurance Asia Awards



Excellence in Digital Innovation (Switch)
Global Insurance Innovation Awards

Best Mobile Insurance App (Emma by AXA)
Global Insurance Innovation Awards

Outstanding Digital CX (Emma by AXA)
Bancassurance Digital CX Awards



Certified Great Place to Work® (since 2021)
Philippine Daily Inquirer x Statista Best Employers 2025



Circle of Excellence CSR Company of the Year
2025 Asia CEO Awards



Circle of Excellence Wellness Company of the Year
2025 Asia CEO Awards



One Golden Arrow
The Golden Arrow Awards (from the Institute of Corporate Directors) based on 2024 Corporate Governance Assessment Results

Caloi Santos (Chief Technology and Transformation Officer)

One of the top 100 CIO's in ASEAN/HK
WFIS – Philippines Awards

IT Maestro of the Year
Global CIO Top 200
– Part of the Global Top 200

Nandy Villar (Chief Marketing Officer)

Marketing Mentor of the Year (2025)
Mansmith & Fielders, Inc.

1.3 Financial Highlights

862
NUMBER OF COMPANIES OR ORGANIZATIONS INSURED

7.8%
LIFE MARKET SHARE (AS OF DECEMBER 2025)

PHP 36.5 Billion
GROSS WRITTEN PREMIUMS

PHP 5.2 Billion
ANNUALIZED PREMIUM EQUIVALENT

PHP 2.5 Billion
NET INCOME



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2.1 Marketing Division

2.1.1 Marketing Operational Highlights

AXA Philippines has entered a new era of renewed momentum and optimism. After navigating a period of industry and market challenges, the company is now stepping forward with greater clarity, confidence, and direction—transitioning from good to great as it positions itself for stronger, more sustainable growth.

In 2025, AXA Philippines further strengthened its reach through stronger brand visibility, sharper value-driven product propositions, and channel-focused initiatives spanning Life, Health, Critical Illness, Single Pay (SP), General Insurance (GI), and Bancassurance. These efforts were anchored in customer-driven product development, sustained digital acquisition, and compelling storytelling that built trust and inspired customers to believe they can.

The launch of the 'AXA Bucket List AI' campaign across AXA markets in Asia, including the Philippines, enabled users to create and visualize their personalized life goals using generative AI. This helped drive awareness on the importance of protecting one's bucket list from health setbacks and critical illnesses.

Early in the year, AXA Health Max Elite was formally introduced to the media through a curated dining experience held at Helm by Josh Boutwood. Highlighting the parallel between the best of Filipino flavors to the product's superior protection benefits, the event showcased the extensive coverage for 150 critical illnesses, and multiple claims feature—setting a new industry benchmark for health insurance.

As part of AXA's commitment to making insurance more inclusive for Filipino families, it introduced AXA AllShield to the market. This all-around protection plan is designed to support breadwinners who want to wrap their loved ones in security, offering coverage against accidents, disability, and critical illnesses, at a cost-effective price.

To enhance the Company's investment and wealth product portfolio, Asset Master, its single-pay, unit-linked insurance product was further improved with a top-up feature. This enabled affluent individuals to increase their investments and coverage over time at no additional charge. In addition, two new income-paying funds were launched to provide greater access to a range of investment vehicles. The AXA Equity Income Paying Fund, which aims to provide long-term capital appreciation by investing in some of the world's top companies, while the AXA Variable Income Fund seeks to deliver high, performance-driven payouts through investments across various sectors.

To solidify the GI product suite, business protection was made available for micro, small, and medium enterprises with the launch of MSME Secure. Group Personal Accident was also





enhanced with optional supplementary coverage to better support organizations seeking accident protection for their employees and members.

AXA Philippines saw widespread gains across multiple channels, specifically GI, eCommerce, Corporate Solutions, and Bancassurance. This was achieved by sharpening focus on profitable, retail-led growth, improving portfolio quality through disciplined risk selection, and enhancing the customer experience. With the rollout of Smart Traveller Straight-Through Processing (STP) in GI operations, automation was enhanced, resulting in simpler purchasing and servicing across partner channels.

For Corporate Solutions, AXA secured major corporate accounts across multiple industries, led by financial and ride-hailing services, with technology following closely behind, highlighting the Company's penetration in digital and platform-driven sectors. BPO and contact center services also made significant contributions to the business as well, reflecting AXA's strength in workforce intensive industries.

On the digital front, eCommerce sustained growth through always-on acquisition, conversion funnel enhancements, and continuous product improvements, supported by insights-led marketing and public relations campaigns that earned recognition. These include accolades from Marketech APAC NEXT Awards, Reader's Digest Trusted Brands, and Tripzilla.

Bancassurance efforts centered on building a stronger digital foundation on Metrobank platforms, expanding lead resources through organic support and activating partnership events such as the Philippine Franchise Expo and Metrobank Travel Fair to reinforce customer relevance and solidify partner collaborations.



Opposite page, from left: *AXA AllShield, launched in the second quarter of the year, is AXA's VUL product that provides all-around protection in case the unexpected happens; Protection for micro, small and medium sized enterprises (MSMEs) was launched in January 2025 to provide coverage in case of accidents, theft, and calamities, among other risks.*

This page, from above: *The Go Big PR Campaign for AXA Smart Traveller was recognized with the Silver Award for Most Innovative Public Relations Campaign at the Marketech NEXT Awards 2025; AXA's superior critical illness plan, AXA Health Max Elite, was formally introduced to the lifestyle media in Feburary 2025.*



2.2 Human Resources Operational Highlights

2.2.1 Employment at AXA Philippines

JOB CATEGORY	FEMALE	MALE	TOTAL
Managerial and Above	318	259	577
Supervisors and Officers	745	421	1166
Staff	322	157	479
Fixed-Term*	6	5	11
Grand Total	1391	842	2233

**Fixed-term employees are hired for a specific duration of employment, with a predetermined start and end date. This type of contract typically outlines the terms of employment for a temporary position, and it automatically expires at the end of the specified term unless renewed or extended.*

AXA Philippines is an equal opportunity employer, ensuring that the right people with the right skills are placed in the right positions across the organization. Full-time employees are provided with a comprehensive benefits package, which includes life insurance, healthcare, disability and validity coverage, parental leave, retirement provision, and stock ownership.

2.2.2 Empowering Growth: AXA's Comprehensive Learning and Development Programs

AXA Philippines recognizes its employees as its greatest asset. To ensure their success and enhance organizational capabilities, the company is proud to offer a variety of Learning and Development (L&D) programs tailored to meet the diverse needs of its workforce. Below is an overview of key initiatives designed to foster professional growth and excellence in the insurance industry.

2.2.2.1 New Hire Onboarding

The New Hire Onboarding program is designed to smoothly integrate new employees into the company culture and operational framework. This structured program provides essential training on core values and culture, policies, insurance fundamentals, and role-specific responsibilities. To strengthen the new hire's engagement, they are partnered with Onboarding Buddies from their respective teams and have one-on-one sessions with their division's HR Business Partner. By fostering a welcoming environment and equipping new hires with the tools they need from day one, the company aims to enhance engagement and retention.

2.2.2.2 Leadership Development

The Leadership Development program is aimed at cultivating the next generation of leaders within the organization. This initiative includes workshops, seminars, and experiential learning activities focused on essential leadership competencies such as strategy and execution, coaching/mentoring, effective communication, and building engaging teams. By investing in its leaders, the company ensures that they are able to inspire their teams and drive organizational success.

2.2.2.3 Online Platforms

In recognition of the need for flexible learning options, AXA Philippines has developed a suite of Online Platforms that provide access to a range of courses and resources. Employees can engage in self-paced learning on various topics, including compliance, customer service, and product knowledge. These platforms empower the company's workforce to take charge of their development and learn at their own convenience.

2.2.2.4 Coaching and Mentoring

The company's Coaching and Mentoring programs are designed to support personal and professional growth through one-on-one guidance. Employees are paired with experienced mentors who provide insights, feedback, and encouragement. This relationship not only enhances skills and knowledge but also promotes a culture of collaboration and continuous improvement across the organization.

2.2.2.5 Technical Development Programs and Life Office Management Association (LOMA)

To ensure that employees are equipped with the technical expertise required in the insurance industry, specialized Technical Development Programs are also offered. These programs cover essential topics such as underwriting, claims processing, and risk assessment. Additionally, the partnership with LOMA provides resources and certifications that enhance knowledge in insurance operations and management, further solidifying the company's commitment to professional development.

At AXA Philippines, creating a culture of learning and growth is treated with utmost dedication. The company's L&D programs are designed to empower employees at every stage of their career, ensuring they have the skills and knowledge necessary to excel in the ever-evolving insurance landscape. All employees are encouraged to take full advantage of these opportunities to enhance their careers and contribute to the company's collective success.

2.2.3 Succession Planning

The succession planning process within AXA Philippines is a strategic initiative designed to maintain a strong talent pipeline for key leadership roles.

Annually, the HR department conducts a talent review to identify high-potential employees based on their performance, providing justifications for their selection. Individual Development Plans are created for these employees, outlining specific actions, timelines, and training opportunities to support their growth. The process also involves identifying potential successors for key positions and developing plans to prepare them for future leadership roles. Continuous monitoring of progress and evaluation of the effectiveness of the talent review process ensures that the organization is well-equipped to meet its leadership needs while aligning with strategic goals.

2.2.4 Retirement Policy

AXA Philippines adopts a retirement plan and policy for its employees that is aligned with the company's desire to reward those who remain in its employ continuously for a considerable number of years.

Under the terms and conditions of the policy, the company will provide its employees the following benefits:

a. Retirement Benefit upon reaching 60 years old. It will take effect at the close of office of the last day of the month the employee attains the retirement age;
b. Death and Disability Benefits in the event of death or disability while in the company's employ; and Separation Benefits in the event of termination of employment.

At the employee's prerogative, he or she may retire upon reaching fifty years of age and completion of ten years of continuous service.

2.2.5 Strengthening Care through Enhanced Employee Benefits

In 2024, AXA Philippines reinforced its commitment to the global AXA Cares for You program through targeted enhancements to its employee benefits framework. These improvements were designed to provide more inclusive support across different life stages, improve access to healthcare, respond to employee feedback, and ensure that Total Rewards programs remain both competitive and sustainable. Together, these initiatives strengthen AXA's commitment to building a workplace where employees feel supported, protected, and empowered.

2.2.6 Expanding Family and Life Support

AXA Philippines enhanced its Bereavement Leave policy by recognizing parents-in-law as immediate family members, aligning internal guidelines with market practice and employee feedback. This ensures that employees receive more compassionate support during significant personal moments.

In line with the global We Care Strategy, parental leave benefits are also strengthened through expanded Co-Parent leave provisions and the introduction of Fertility Leave for employees undergoing In Vitro Fertilization. These enhancements recognize evolving family structures and underscore the Company's commitment to inclusive and modern workplace policies.

To further support employees during critical family circumstances, AXA Philippines also introduced Caregiver Leave, providing paid leave for employees who need to care for immediate family members experiencing serious health conditions.

The Company likewise implemented Domestic and Intra-Familial and Sexual Violence Leave, granting paid leave to employees affected by domestic and intimate partner violence. While aligned with the Anti-Violence Against Women and Their Children (VAWC) Act, the policy extends support on a non-discriminatory basis to any employee who may be affected, reinforcing AXA's commitment to fostering a safe and supportive workplace.

2.2.7 Promoting Retention and Long-Term Engagement

To strengthen employee retention and recognize loyalty earlier in the employee journey, AXA Philippines enhanced its Service Awards program by beginning recognition at five years of service. This adjustment reflects the Company's focus on engagement within the critical early tenure years.

2.2.8 Enhancing Mobility and Shared Responsibility

In response to consistent Pulse Survey feedback and recruitment market insights, AXA Philippines redesigned its Car Plan framework to improve competitiveness and address challenges in attracting experienced talent. Benchmarking showed that the previous structure was less competitive relative to prevailing market offerings. The revised cost-sharing model enhances the overall employee value proposition while maintaining responsible cost management, strengthening the Company's ability to compete for critical roles.



2.2.9 Strengthening Protection and Health Coverage

AXA Philippines increased the cap on life insurance coverage to strengthen financial protection for employees, particularly Directors and other critical roles. This enhancement helps ensure that protection levels remain aligned with role accountability and market competitiveness, reinforcing the Company's commitment to providing meaningful financial security for employees and their families.

The Company also enhanced its HMO program by providing immediate Day 1 eligibility for all employees, ensuring equitable access to healthcare from the start of employment. While the Annual Benefit Limit for new hires was calibrated to support long-term sustainability, existing employees retained their current coverage levels. These updates balance inclusive protection with prudent cost management.

In response to ongoing employee feedback, AXA Philippines has continued to enhance its benefits offerings. Notably, the HMO coverage was expanded to include dental benefits for dependents and extended eligibility to common-law and domestic partners beginning September 1, 2024. This enhancement underscores the commitment to fostering a diverse and inclusive workplace. Additionally, mental health consultations for employees were introduced, further strengthening access to comprehensive wellbeing support.

Together, these enhancements reflect AXA's belief that care must evolve alongside the realities of modern families and workplace well-being needs.

2.2.10 Health and Well-being Support

As part of its commitment to supporting employees through serious health challenges, AXA Philippines strengthened its cancer support framework by enhancing existing coverage and introducing additional assistance mechanisms for employees undergoing treatment. These updates aim to provide greater financial protection and improved access to care during one of life's most difficult health journeys.

In support of AXA's global commitment to care across different life stages, the Company also introduced initiatives addressing menstrual health, menopause, and andropause in the workplace. These include flexible work arrangements for employees experiencing related health conditions, access to medical and wellness resources, and the provision of educational materials and workplace facilities to support employee well-being and awareness.

2.2.11 A Sustainable and Inclusive Approach to Care

The 2024 enhancements reflect a deliberate balance between strengthening employee support and ensuring long-term sustainability. By aligning local practices with AXA Group standards while responding to market competitiveness and employee feedback, AXA Philippines continues to build a workplace where care is tangible, inclusive, and future-ready.

Through these actions, the Company reaffirms that caring for its people is not an initiative but a strategic commitment embedded in the way it operates and grows.

2.2.12 Prioritizing Mental Health in the Workplace

AXA Philippines places a high priority on employee safety and wellness. The organization consistently strives to create a work environment that fosters both the personal and professional development of its people.

One key initiative of this goal is the AXA Mind Health Study, which helps the company gain insights into the mental health challenges faced in the workplace. The latest study revealed increasing rates of mental health conditions, such as severe depression, anxiety, and stress, with women being particularly at risk due to workplace pressures, societal expectations, and safety concerns. To address these challenges and further strengthen the One AXA Family community, the Company implemented various wellness programs, promoting a supportive and collaborative environment among employees.

One of the critical components of this effort is the Employee Assistance Program (EAP), which provides employees direct access to mental health professionals through an online counseling platform. This initiative ensures confidentiality while offering support to help manage stress and address both personal and professional challenges.

The Company also launched an internal mental health first-aiders program called Customer First, Integrity, Courage, and One AXA (CICO) Listens, enabling employees with the knowledge and skills to serve as additional support for their colleagues who may be facing challenges in their mental health and well-being.

2.2.13 Employee Engagement Programs

AXA Philippines remains committed to fostering a workplace culture where employees feel empowered, connected, and inspired to perform at their best. Through the employee engagement banner AwesomeAXA, the Company continues to implement programs that strengthen employee engagement, promote well-being, and create meaningful opportunities for collaboration and shared experiences.

In 2025, AXA Philippines introduced several flagship initiatives designed to bring employees together while reinforcing a strong sense of belonging within the organization.

CICOlympics encouraged teamwork, camaraderie, and friendly competition among employees across functions. The One AXA Run, on the other hand, promoted health and wellness while uniting employees under a shared commitment to active living. Meanwhile, The Great Family AXAventure provided employees and their families an opportunity to connect through a day of engaging activities, highlighting the importance of family support in the workplace. The year culminated with The Great AXA Soirée, a celebratory gathering that recognized the collective achievements of employees and strengthened connections across the AXA community.

Beyond large-scale events, AXA Philippines continued to enhance the overall employee experience through initiatives that foster inclusion, recognition, and personal growth. Employee-led clubs remain a key avenue for employees to pursue shared interests and build meaningful connections outside their day-to-day roles. In addition, the company's AXA Anniversary celebrations serve as an important milestone for reflecting on organizational achievements and reinforcing a shared sense of pride in AXA's journey. The Employee Service Awards also continues to recognize employees who have demonstrated exceptional dedication and long-standing commitment to the organization.

Through these initiatives, AXA Philippines recorded a notable progress in employee engagement, with the average engagement rating improving from 4.2/5 to 4.7/5. Engagement initiatives also saw broader employee involvement, with 4,580 engagement participations compared to 3,345 previously, representing a 37% increase in participation and underscoring the effectiveness of programs designed to strengthen connection, collaboration, and overall employee experience in the organization.

2.2.14 Workplace Safety Management

Workplace safety remains a priority for AXA Philippines, supported by a comprehensive Safety Management Program that continuously seeks to enhance safety standards across the Head Office and branch network nationwide. This commitment was reinforced through disciplined accident prevention measures, regulatory compliance, proactive training, and active safety engagement initiatives.

AXA Philippines achieved zero lost time injury (LTI); maintained zero frequency rate (FR) and maintained zero severity rate (SR), reflecting the strength of its safety culture and shared responsibility. The company also maintained zero occupational safety and health (OSH) violations, supported by mandatory OSH training for safety officers and First Aid team members. Internal and external events were facilitated without any lost time accidents, demonstrating robust event safety protocols. In addition, 100% of required work environment measurements were completed across Head Office and branch network to ensure safe and healthy workplaces.

To strengthen awareness and preparedness, AXA Philippines conducted an annual Health and Safety Week in November and engaged 880 employees through educational sessions to promote a safety-conscious culture. Regular Health and Safety Committee and Emergency Response Team (ERT) meetings were held to foster open dialogue and continuous improvement. Earthquake and fire drills were executed to enhance emergency readiness, while security surveys were conducted in critical branch locations to identify and mitigate potential hazards.

AXA Philippines is a proud recipient of Award of Excellence from the Safety Organization of the Philippines Inc. for surpassing 20,884,911 safe working hours without a lost-time accident from January 1, 2021, to September 30, 2025, demonstrating the Company's unwavering commitment to a safe working environment.

3 Sustainability and CSR

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3.1 Value creation in 2025

In 2025, AXA Philippines strengthened its value creation by scaling its operations responsibly while reinforcing financial resilience, workforce capability, and governance discipline.

The Company generated 16.74 billion in direct economic value during the year. The increase in retained value to 15% of total economic value generated enhanced the Company's capacity to reinvest in people, operations, and long-term sustainability.

Value creation in 2025 translated directly into employment and capability building. AXA Philippines onboarded 803 new employees and promoted 206 employees, reflecting business expansion alongside internal mobility and leadership development. Investment in capability was reinforced through training programs that reached 1,455 employees, supporting service quality, execution discipline, and readiness for continued growth.

Operation growth was supported by strengthened governance and risk management. AXA Philippines accredited 231 suppliers during the year, with ESG considerations embedded into vendor accreditation and assessment processes. This ensured that business expansion was supported by responsible procurement and risk-aware operations.

At the same time, AXA Philippines managed the environmental footprint of its office-based operations by monitoring energy, water, fuel, and waste consumption. In 2025, the Company diverted 8,103 kilograms of non-hazardous waste through recycling and reprocessing initiatives, reflecting continued attention to operational efficiency and resource stewardship.

Through these outcomes, AXA Philippines' 2025 performance demonstrates how growth, governance, and sustainability were advanced together – creating vale for customers through continued protection, for employees through opportunity and development, and for society through economic contribution and responsible operations.

3.2 Industry key risks and future outlook

AXA Philippines operates in a rapidly evolving risk environment shaped by technological disruption, climate change, regulatory complexity, and geopolitical uncertainty. As a leading insurer in one of the world's most climate-vulnerable markets, the Company continuously assesses emerging risks to ensure resilience, protect stakeholder value, and sustain long-term growth.

Technology and Artificial Intelligence Risks. The accelerated adoption of digital tools and artificial intelligence across the insurance value chain presents both opportunity and risk. Potential concerns include data privacy, cybersecurity threats, algorithmic bias, regulatory compliance, and workforce disruption. AXA Philippines addresses these risks through robust governance frameworks, controlled deployment of AI use cases, and strong data protection and oversight mechanism, ensuring that innovation remains responsible, secure, and aligned with customer trust.

Climate Change and Environmental Risks. Climate change continues to pose significant physical and transition risks, particularly in the Philippines, where extreme weather events such as typhoons, flooding, and rising temperatures can impact lives, infrastructure, and economic activity. These risks influence claims patterns, asset values, and long-term insurability. AXA Philippines integrates climate considerations into underwriting, investment decisions, and risk management processes, reinforcing its role in supporting climate resilience while managing exposure prudently.

Cybersecurity and Infrastructure Risks. Increased digital reliance heightens exposure to cyber threats, system disruptions, and infrastructure failures. Cyber incidents can affect customer confidence, operational continuity, and regulatory compliance. AXA Philippines maintains a strong cybersecurity posture through layered controls, continuous monitoring, employee awareness, and business continuity planning, strengthening operational resilience in an increasingly digital environment.

Geopolitical and Socioeconomic Risks. Global geopolitical tensions, trade disruptions, sanctions, regimes, and economic volatility may affect supply chains, investment markets, and customer affordability. These dynamics can influence claims experience, asset performance, and regulatory expectations. AXA Philippines actively monitors geopolitical developments and maintains disciplined compliance and risk assessment practices to safeguard its operations and reputation.

Regulatory, Legal, and Data Risks. The regulatory landscape for insurers continues to evolve, particularly in areas such as data privacy, ESG disclosure, consumer protection, and AI governance. Non-compliance may result in legal, financial, or reputational consequences. AXA Philippines embeds regulatory compliance and legal oversight across product development, operations, and third-party relationships, enabling the Company to adapt efficiently to regulatory change while maintaining high ethical standards.

3.3 Sustainability actions, key performance indicators, and outcomes

AXA Philippines advances sustainability through concrete actions across environmental stewardship, social inclusion, and strong governance. These initiatives are embedded across AXA's role as a responsible company, a responsible investor, and a responsible insurer, reinforcing long-term value creation while supporting the transition to a more resilient and inclusive society.

3.3.1 Environmental Stewardship: Mitigating Climate Impact and Enabling Transition

As a Responsible Company

AXA Philippines continues to reduce its environmental footprint through operational improvement and employee engagement. In 2025, the Company achieved 100% electricity matching through International Renewable Energy Certificates (I-RECs), reinforcing its commitment to cleaner energy. Employees actively participated in energy-reduction initiatives through the Green Division Challenge, strengthening sustainability awareness across the organization.

To improve emissions visibility and accountability, AXA Philippines implemented a Carbon Calculator and IT emissions tracking, enabling more informed decision-making. The Company also advanced circular economy practices through partnerships with Humble Sustainability and SoilMate, promoting responsible waste management. These efforts were complemented by the AXA Forest Initiative, which resulted in the planting of 3,000 trees, contributing to ecosystem restoration and carbon sequestration.

As an Investor

AXA Philippines strengthened its role as a responsible investor by significantly scaling its climate-aligned portfolio. In 2025, green investments increased by 200% against the annual target, demonstrating strong momentum in directing capital toward sustainable and transition-supporting assets.

As an Insurer

AXA Philippines integrates sustainability into product innovation and underwriting. Environment-linked insurance solutions continued to expand in 2025. Telematics and Pay-As-You-Drive products exceeded targets by over 70%, reflecting growing adoption of usage-based insurance that promotes safer and more efficient mobility.

Support for the transition to cleaner transport also accelerated, with hybrid electric vehicles (HEV)/electric vehicles (EV) Insurance premiums growing. In addition, Responsible Business insurance more than doubled against its annual target, supporting enterprises that adopt more sustainable operations.

3.3.2 Social Impact: Inclusive Protection and Financial Access

As a Responsible Company

AXA Philippines strengthened employee well-being through targeted initiatives. The Company launched CICO Listens, a mental health first-aid program designed to promote peer support and psychological safety in the workplace. Health benefits were expanded through HMO coverage for same-sex partners, reinforcing AXA's commitment to equity and inclusion.

The AXA Pride Community was also launched to foster an inclusive and supportive workplace culture. Employee volunteering remained a strong pillar of social impact, with 1,383 unique volunteers contributing time and skills to community initiatives.

Procurement played a role in supporting AXA's sustainability commitments by strengthening responsible sourcing practices through structured risk assessment, sustainability integration, and targeted inclusive procurement initiatives. Vendor maturity is evaluated through the Local Vendor Risk Framework, where Environmental, Social, and Governance (ESG) performance is assessed as a distinct risk domain alongside financial crime, data privacy, and information security. To ensure sustainability is consistently considered in supplier decisions, ESG risk ratings are formally embedded in the Request for Proposal (RFP) through our localized Vendor Risk Framework (VRF) tool with a standard of 10% allocation together with various risk domains.

In parallel, AXA Philippines continued to progress its inclusive procurement agenda by increasing engagement with Micro, Small and Medium Enterprise (MSME) suppliers. A substantial share of AXA's MSME suppliers consists of locally based businesses that provide goods and services within the communities where AXA operates, supporting economic activity at the local level. To date, MSMEs account for over 30% of total PO transactions, surpassing the Inclusive Spend target set at the beginning of the year. This reflects a double-digit improvement over 2024's Inclusive Spend, with the upward trajectory demonstrating a significant and positive shift toward more sustainable and inclusive sourcing practices, marking substantial progress from the previous year

Later in the year, AXA further strengthened its financial inclusion commitment through a partnership with Metrobank Foundation.

As an Insurer

AXA continued to expand access to insurance and healthcare protection, particularly for underserved communities. Through the AXA-Grab partnership, coverage was extended to tens of thousands of individuals, supporting gig economy workers and improving access to financial protection.

The Company also launched Hospital Assist on GCash, providing affordable health coverage with simplified access.

3.3.3 Governance and Accountability – Strengthening Leadership and Oversight

As a Responsible Company

Strong governance underpins AXA's sustainability strategy. In 2025, AXA Philippines reinforced leadership and accountability through the GreatShift Committee, which serves as the Company's Sustainability Committee. Sustainability performance is reviewed through quarterly meetings, with regular updates provided to the Executive Committee.

Sustainability and climate-related matters are reported bi-annually to the Board Corporate Governance Committee. The Company achieved full completion of its Climate Adaptation Module by all employees, strengthening internal capabilities. A structured risk cascade implementation ensures that sustainability-related risks and insights are embedded into business decision-making.

For its transparency, accountability, and ethical management based on the 2024 Corporate Governance Scorecard, AXA Philippines was awarded by the Institute of Corporate Directors with One Golden Arrow at The Golden Arrow Awards 2025. This award recognizes Philippine publicly listed and insurance companies that demonstrate exceptional corporate governance, scoring at least 80 points on the ASEAN Corporate Governance Scorecard (ACGS) Assessment.

As an Investor and Insurer

Responsible investment practices are monitored through established governance bodies, including the Sustainability Committee and the Local Investment and Asset Committee (LIAC), ensuring sustainability considerations remain integrated into oversight and decision-making processes.

Taken together, AXA Philippines' 2025 demonstrates how financial performance, responsible operations, inclusive growth, and strong governance jointly contribute to long-term value creation for investors, employees, customers, and society.

3.3.4 Driving Positive Change In Our Communities

Engagement with Local Communities through Employee Volunteerism

In 2025, AXA Philippines deepened its commitment to corporate social responsibility through various initiatives addressing climate action and diversity, inclusive protection, and humanitarian support. Through AXA Hearts in Action (AHIA), the Company's employee volunteerism arm, employees partnered with local non-government organizations (NGOs) and community groups while also embedding volunteerism into team activities.

AXA Week for Good (AWfG) mobilized employees nationwide for a weeklong, multi-partner volunteer activity in support of community development, well-being, education, and environmental stewardship, encouraging 873 employees to participate. The Head Office employees held a hands-on engagement through an NGO Fair with 17 partner organizations, employee sessions with advocates, and livelihood workshops, including with women artisans of GROW Bulacan, production of sustainable doormats for community donation, and packing of educational kits for underprivileged children. The week concluded in a community visit with children from Payatas Orione Foundation.

Participation also extended beyond the head office through regional One Great AXA engagements in Cebu and Davao, and an on-ground outreach in Siniloan, Laguna in partnership with FEED, where volunteers planted 1,250 seedlings alongside needs-based donation and a financial literacy session on budgeting, savings, and investing.

Beyond AWfG, AXA Philippines sustained community engagement through skills-based and cause-driven activities that included employee-led activities such as pillow-making and turnover for community partners, livelihood support activities, learning-focused volunteering through Learning Buddies, and financial education efforts such as "What's Your Game Plan?" sessions held at University of the Philippines-Diliman. A clean-up initiative was held at Estero De Santibanez in Paco, Manila, where volunteers produced and deployed 3,000 bokashi balls to support environmental rehabilitation. Employees also supported health and protection advocacies through a blood donation drive and wellness initiatives, and had large-scale participation with One AXA Run with 543 participants and in CICOlympics, which rallied employees in support of multiple NGO beneficiaries.

In total, 1,461 unique employee volunteers participated in corporate social responsibility (CSR) activities throughout the year, including three divisions that integrated CSR as part of team building or community outreach, namely Marketing, Operations, and General Insurance Tech Team.

Through these collective efforts, AXA Philippines reinforced a culture of purposeful volunteerism, bringing employees closer to communities while creating sustained, meaningful impact.

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4.1 Executive Leadership Team



Ayman Kandil

President and Chief Executive Officer
Age: 54 years old
Date of First Appointment: 2024
Length of Service: One year

Prior to being appointed as President and CEO, Mr. Kandil served as Chief Distribution Officer of AXA Philippines from 2023 to 2024. Prior to his move to the Philippines, he had a distinguished leadership career in Egypt, most notably as Chief Executive Officer of AXA Egypt (2018–2023), where he led and oversaw four companies, i.e. AXA Egypt Investment, AXA Egypt Life, AXA Egypt Non-Life, and AXA Egypt Services, and as Chief Operating Officer (2015–2018). He completed his Bachelor's degree in Accounting at Cairo University in 1993.



Mikael Malaganne

Chief Financial Officer
Age: 41 years old
Date of First Appointment: 2025
Length of Service: Eleven years

Prior to joining AXA Philippines, Mikael held roles at AXA Group in Paris under Group Investor Relations and Group Treasury. He graduated from EM Lyon Business School in France with a Master in Management, with a specialization in Finance.



Gael Lapie

Chief General Insurance Officer
Age: 58 years old
Date of First Appointment: 2021
Length of Service: Four years

Gael Lapie has a post-graduate degree in Higher Mathematics from the Lycee Georges Clemenceau, Reims, and a Master's Degree in Economics and Finance from Institute d' Etudes Politiques de Paris.

He held various roles in different AXA entities from 2000 to 2024, serving as Group Financial Controller of AXA SA in 2000 and later as Chief Financial Officer and Head of Compliance of AXA Group Operations from 2017 to 2020.



Sharon Hernandez

Chief Human Resources Officer
Age: 50 years old
Date Hired of First Appointment: 2023
Length of Service: Two years

Sharon Hernandez has a Master's degree in Business Administration from the De La Salle University. She was certified as a Human Resource Professional by the International Federation of Professional Managers. She also has a professional certification on the Science of Happiness at Work from the University of California.



Carlos Santos

Chief Transformation and Technology Officer
Age: 52 years old
Date of First Appointment: 2022
Length of Service: Three years

Carlos Santos took up Bachelor of Science in Computer Science and Information Technology and completed his Master's degree in Information Technology at the De La Salle University. He held various roles in different companies from 1994 to 2022, serving as Vice President - Shared Services of JG Summit Holdings Inc., Chief Information Officer of Universal Robina Corp., and CIO of Procter & Gamble.



Kathleen Villegas

Chief Operations Officer
Age: 51 years old
Date of First Appointment: 2023
Length of Service: Two years

Kathleen Villegas held various roles in the Operations Department of AXA Philippines since 2003. She was later appointed as Chief Operations Officer of AXA Philippines on 25 April 2025. Before joining AXA, Ms. Driz served as Underwriting Manager for John Hancock Philippines and Aetna Philippines.



Fernando Villar

Chief Marketing Officer
Age: 57 years old
Date of First Appointment: 2021
Length of Service: Four years

Fernando Villar graduated from the University of the Philippines - Diliman with a Bachelor's degree in Business Administration. He previously worked for ABS-CBN as Head of Integrated Marketing.



Khaled Younis

Chief Distribution Officer
Age: 52 years old
Date of First Appointment: 2025
Length of Service: 9 months

Khaled completed his Bachelor of Science in Commerce at Cairo University in 2002 and later earned his Executive MBA from the American University in Cairo in 2018.

4.2 Board of Directors



Age: 70 years old

Date of first appointment: 2010

Length of Service: 15 years

Solomon S. Cua

Chairman of the Board/ Non-Executive Director
Chairman of the Executive Committee
Member of the Board Risk Management, Audit and Finance Committee (BRMAFC)
Member of the Board Nomination and Remuneration Committee (BNRC)
Technical Adviser to the Board Corporate Governance Committee (BCGC)

Present Directorship in other companies:
Philippine Racing Club, Inc., Grand Titan Holdings, Inc., Palm Integrated Commodities, Inc., SC & SSC Holdings, Inc., and Metropolitan Bank and Trust Co.

Relevant experience:
Chairman Cua was Vice Chairman of First Metro Investment Corporation from 2005 to 2016, Director of First Metro Investment Corporation from 2001 to 2016, and Director of Metropolitan Bank, China from 2014 to 2016.

Qualifications:
Chairman Cua completed his Bachelor of Arts in Economics & Mathematical Sciences degree from the University of Melbourne; Bachelor of Laws from University of Queensland; and Master of Laws from London School of Economics & Political Science. He was admitted as a Barrister-at-Law in the United Kingdom and Member of Lincoln's Inn. He was also admitted as Barrister and Solicitor of the Supreme Court of the Republic of Singapore. He was Undersecretary of the Department of Finance from 1998 to 2000.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 24 October 2025.



Age: 59 years old

Date of first appointment: 2009

Length of Service: 16 years

Fernand Antonio A. Tansingco

Vice Chairman of the Board/ Non-Executive Director
Vice Chairman of the Executive Committee

Present Directorship in other companies:
None.

Relevant experience:
Mr. Tansingco is the Head of the Financial Markets Sector, Senior Executive Vice President and Treasurer of Metropolitan Bank and Trust Company. He is an adviser of Metrobank (China) Limited since 2016. He was also appointed as Director of Metrobank (China) Limited from 2012 to 2016.

Qualifications:
Mr. Tansingco completed his Bachelor of Science in Electrical Engineering degree from the University of the Philippines. He is a Chartered Financial Analyst (CFA).

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 24 October 2025.



Age: 54 years old

Date of first appointment: 2024

Length of Service: 1 year

Ayman Hamed Abdelghaffar Mohamed Kandil

Board Member/Executive Director and President & CEO
Member of the Executive Committee

Present Directorship in other companies:
Alexandria New Medical Center

Relevant experience:
Before being appointed President and CEO, Mr. Kandil served as Chief Distribution Officer of AXA Philippines from 2023 to 2024. Prior to his move to the Philippines, he had a distinguished leadership career in Egypt, most notably as Chief Executive Officer of AXA Egypt (2018–2023), where he led and oversaw four companies, i.e. AXA Egypt Investment, AXA Egypt Life, AXA Egypt Non-Life, and AXA Egypt Services, and as Chief Operating Officer (2015–2018). During this time, he also held various advisory and executive roles, including: Board Member, Insurance Federation of Egypt (2021–2023), Co-Chair, Insurance Committee, American Chamber of Commerce in Egypt (2020–2023), Board Member, Egyptian Institute of Directors (2020-2023), Board Member, Policyholders' Guarantee Fund.

Qualifications:
Mr. Kandil earned his Bachelor's degree in Accounting from Cairo University in 1993. He also holds accreditation in corporate governance and directorship from Egypt, which has enhanced his expertise in board leadership, oversight, and governance best practices.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Orientation Program held on April 3, 7, 8 and 11, 2025.



Age: 45 years old

Date of first appointment: 2010

Length of Service: 15 years

Alesandra T. Ty

Board Member/Non-Executive Director

Present Directorship in other companies:
GT Capital Holdings, Inc., Federal Homes, Inc. and GT Foundation, Inc.

Relevant experience: Ms. Ty is an accomplished executive with over 15 years of experience in corporate finance and investment management. As the Executive Vice President of Grand Titan Capital Holdings, Inc., she plays an important role in overseeing the company's financial planning/budgeting. Her leadership, analytical skills and expertise have been the contributing factors to the company's success. She currently holds several other positions in other companies among which are as Assistant Treasurer of GT Capital Holdings, Inc.; Senior Vice President and Treasurer of Federal Homes, Inc. and Vice President of GT Foundation, Inc.

Qualifications:
Ms. Ty completed her Bachelor of Science degree in Legal Management from the Ateneo de Manila University, and Master in Business Administration from China Europe International Business School, Shanghai, China.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 24 October and 13 November 2025.



Age: 62 years old

Date of first appointment: 2018

Length of Service: 7 years

Gordon T. Watson

Board Member/Non-Executive Director

Present Directorship in other companies:
One Mind, Shared Value Initiative HK, LIFTwomen and LiftART

Relevant experience: Mr. Watson is a senior advisor to the AXA Group, and chairs and sits on a number of AXA Boards. He was previously the CEO of AXA Asia & Africa, where he led the operations across 18 countries and had global responsibility for inclusive insurance. Mr. Watson was a member of the AXA Management Committee. Before joining AXA, Mr. Watson was the Regional Chief Executive at AIA, who built post-IPO growth across various countries and group functions, from employee benefits to Vitality. He was also the CEO of the AIG Life Companies in Japan and Korea and was the Global Executive Vice Chair of Alico (now MetLife). He held many executive leadership positions while based in London, New York, Nairobi, Dubai, Tokyo, Seoul and Hong Kong. Mr. Watson served on various boards including LIMRA and was the Chair of Tricor, a business services company that was transformed under Permira private equity.

Mr. Watson is a strong advocate for holistic health. He currently sits on the One Mind Board, a US-based NGO dedicated to improving mental health. He is the founding Chair of Shared Value Initiative Hong Kong, where he collaborated with leaders across industries to create economic value while addressing social and environmental challenges. He is also a founding investor and advisor to LIFTwomen, a platform to support female entrepreneurs around the world. He has also created LiftART to assist young artists in emerging countries. Mr. Watson is the founder partner of the World Flourishing Organisation and MiYa, a US private equity platform.

Qualifications:
Mr. Watson has an MBA and is both a Fellow of the Chartered Insurance Institute and the Society of Marketing. He holds a master's degree in Global Mental Health from the University of Glasgow. He is a Berkeley Executive Coaching Institute certified coach.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Advanced Topic Series held on 27 November 2025.



Age: 71 years old

Date of first appointment: 2025

Length of Service: <1 year

Francisco C. Sebastian

Board Member/Non-Executive Director
Member of the Executive Committee

Present Directorship in other companies:
GT Capital Holdings, Inc., Metropolitan Bank and Trust Company, Federal Land, Inc., Federal Land NRE Global Corporation, North Bonifacio Landmark Realty and Development, Inc., Metro Pacific Investments Corporation, ST 6747 Resources Corporation, Bonifacio Landmark Realty and Development Corporation and Travel Services Inc.

Relevant experience:
Mr. Sebastian was re-elected as Chairman of GT Capital Holdings, Inc. in May 2022 and served as the Co-Vice Chairman since 2016. He joined the Metrobank Group in 1997 as First Metro Investment Corporation President and held the position for 13 years until he was appointed as the Chairman from 2011 to 2022 and continues to serve as the Senior Adviser. Mr. Sebastian concurrently serves as Vice Chairman of Metrobank since 2006.

Qualifications:
Mr. Sebastian earned a Bachelor's degree in Economics (Honors) from Ateneo de Manila University in 1975.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 13 November 2025 and Winning with AI: Embracing Change and Optimizing Decisions at Scale held on 18 November 2025.



Age: 57 years old

Date of first appointment: 2024

Length of Service: 1 year

Sally O'Hara

Board Member/Non-Executive Director
Member of the Executive Committee
Chairwoman of the BNRC (*Effective 28 August 2025) and member of the BRMAFC and BCGC

Present Directorship in other companies:
AXA Southeast Asia and Korea, AXA General Insurance Korea, PT AXA Mandiri Financial Services (AMFS) Indonesia, Krungthai-AXA Life Insurance Public Company Limited (KTAXA) and Thai Life Assurance Association Board (TLAA)

Relevant experience:
Ms. O'Hara held various executive roles in Ayudhya Allianz C.P. Life from 2004 to 2012. She served as Country President and Chairperson of the Board of Directors of Chubb Life Assurance PCI from 2013 to 2018. She was later appointed as Chief Executive Officer of Krungthai-AXA Life Insurance Public Company Limited from 2018 to 2024 and then went on to serve as Vice President and Board Member of AustralianThai Chamber of Commerce.

Qualifications:
Ms. O'Hara graduated from The University of Melbourne with a Bachelor's degree, Major in Commerce. She has a Master's degree in Business Administration. She was awarded Woman CEO in 2023 by World Leadership Congress and Awards and Insurance Business Asia's Elite Women in 2022 by Insurance Business Asia.

IC-Mandated Trainings Attended in 2025: Executive Development Program held on 23 April 2025, IFRS17 Training held on 17 June 2025, 2025 Risk Management E-Learning held on 11 June 2025 and Qualified Risk Governance Training held on 18 August 2025.



Age: 53 years old

Date of first appointment: 2025

Length of Service: <1 year

George S. Uy-Tioco, Jr.

Board Member/Treasurer

Member of the Executive Committee and BCGC and Adviser to the BRMAFC

Present Directorship in other companies:

GT Capital Auto and Mobility Holdings, Inc., GT Mobility Ventures Inc., Toyota Manila Bay Corporation, TMBC Insurance Agency Corporation, and Oxfordshire Holdings, Inc.

Relevant experience:

Mr. Uy-Tioco assumed the role of Chief Financial Officer of GT Capital Holdings, Inc., in 2024. He also served as director and corporate officer of various companies since 1993, including ING Bank, NV, BPI Capital Corporation, ICCP Holdings Corp., and Pacific Antai Life Insurance Co.

Qualifications:

Mr. Uy-Tioco has a Bachelor's Degree in Management Engineering from the Ateneo De Manila University and a Master's Degree in Business Administration from the Darden Graduate School of Business, University of Virginia.

IC-Mandated Trainings Attended in 2025:

Corporate Governance Training held on 13 November 2025 and Winning with AI: Embracing Change and Optimizing Decisions at Scale held on 18 November 2025.



Age: 45 years old

Date of first appointment: 2023

Length of Service: 2 years

Hassan El-Shabrawishi

Board Member/ Non-Executive Director

Member of the Executive Committee and Chairman of the BNRC

**Resigned on 26 August 2025*

Present Directorship in other companies:

AXA Africa Holding and AXA International Markets

Relevant experience:

Hassan El-Shabrawishi is a member of the AXA Group Management Committee. He is also the CEO of AXA International Markets in Madrid, Spain. He previously held the position of CEO in different AXA entities including AXA Egypt.

Qualifications:

Mr. El-Shabrawishi completed his Doctorate in Business Administration, Management and Technology at Universidad Pontificia De Comillas ICAI-ICAIDE. He also took up his International MBA – a program ranked 1st in Europe and sixth worldwide by the Financial Times – at IE Business School, Madrid, Spain. He was awarded Beta Gamma Sigma Honors and IE's Finance Fellowship.

IC-Mandated Trainings Attended in 2025:

Corporate Governance Orientation Program held on April 3, 7, 8 and 10, 2025.



Age: 45 years old

Date of first appointment: 2025

Length of Service: <1 year

Rodney I. Coelho

Board Member/ Non-Executive Director
Member of the Executive Committee
**Appointed to the Board on 28 August 2025 vice Hassan El-Shabrawishi*

Present Directorship in other companies:
AXA Insurance Indonesia, AXA Financial Indonesia

Relevant experience:
Mr. Coelho is currently the President Commissioner for AXA Insurance Indonesia (GI Co) and for AXA Financial Indonesia (Life Co). From 2022 to 2024, Mr. Coelho served as the Director of Bharti AXA Life Insurance. Prior to that, Mr. Coelho held several senior leadership positions across multiple geographies (Canada, Indonesia, HK) such as Head of Life & Savings, Chief Product & Pricing Officer, Deputy Chief Actuary, and U.S. Statutory Valuation Actuary

Qualifications:
Mr. Coelho graduated from the University of Waterloo in 2004 with a bachelor's degree in mathematics (BMath), Major in Actuarial Science, Minor in Statistics. He earned his fellowship from the Society of Actuaries (FSA) and Canadian Institute of Actuaries (FCIA) in 2008.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 24 October 2025; Governance of Internal Audit by the Board Audit Committee held on 30 October 2025; and Best Practices of Effective Boards held on 25 November 2025.



Age: 55 years old

Date of first appointment: 2023

Length of Service: 2 years

Rowel D. Vijandre

Independent Director
Chairman of the BCGC
Member of the BRMAFC and BNRC

Present Directorship in other companies:
None.

Relevant Experience:
Mr. Vijandre served as President of Chowking from 2015 to 2019. During this period, he was also a key member of the Global Executive Management Team of Jollibee Foods Corporation, where he held the position of Group President for North America from 2019 to 2022. Prior to his tenure at Chowking, he served as Managing Director and President of Johnson & Johnson Vietnam from 2008 to 2012, during which he sat on the ASEAN Management Board. Following this, he was Managing Director and President of L'Oréal Philippines from 2012 to 2015 and was a member of the L'Oréal Asia Management Committee.

Qualifications:
Mr. Vijandre completed his Bachelor's Degree in Management Engineering at Ateneo de Manila University.

IC-Mandated Trainings Attended in 2025:
Corporate Governance Training held on 24 October 2025.



Age: 58 years old

Date of first appointment: 2023

Length of Service: 2 years

Peter James Crewe

Independent Director and Chairman of the BRMAFC
Member of the BCGC and BNRC

Present Directorship in other companies:
AIA Trustee Company Ltd., Chubb Life Hong Kong Ltd., Ziffa Group Ltd., and Ropewalk Ltd.

Relevant experience:
Mr. Crewe has worked in the life insurance industry for over 30 years with 26 years of experience in Asia Pacific with AIA Group Limited. He has undertaken senior regional roles and country CEO roles in Australia, Brunei, Hong Kong and Indonesia. He is the Founder and Managing Director of Ziffa Group Limited.

Qualifications:
Since 2022, Mr. Crewe has taken on a number of INED and advisory positions in insurance and fintech.

IC-Mandated Trainings Attended in 2025: Corporate Governance Orientation Program held on 7-8 April 2025 and Corporate Governance Training held on 24 October 2025.



Age: 43 years old

Date of first appointment: 2022

Length of Service: 3 years

Renee Lynn Miciano-Atienza

Corporate Secretary

Present Directorship in other companies:
GT Capital Auto and Mobility Holdings, Inc., and Toyota Subic, Inc.

Relevant experience:
Ms. Atienza is the Vice President and Head of the Legal & Compliance Department of GT Capital. She was appointed to her position on May 11, 2016 and has been with GT Capital since August 2012. She concurrently holds the following positions: Director and Corporate Secretary at GT Capital Auto and Mobility Holdings, Inc. and Toyota Subic, Inc.; Corporate Secretary at AXA Philippines, Toyota Motor Philippines Corporation, Toyota Motor Philippines School of Technology, Inc., Toyota Motor Philippines Foundation, Inc., Lexus Manila, Inc., LMI Insurance Agency, Inc., GT Mobility Ventures, Inc., JBA Philippines Inc., Premium Warranty Services Philippines, Inc., Toyota Santa Rosa, Laguna, Inc., Toyota Santa Rosa, Laguna Insurance Agency, Inc., Toyota Manila Bay Corporation, TMBC Insurance Agency Corporation, and Oxfordshire Holdings, Inc.; and Assistant Corporate Secretary at Toyota Financial Services Philippines Corporation.

Prior to joining GT Capital, she was the Head of the Investigation and Enforcement Department of the Capital Markets Integrity Corporation (CMIC). Before joining CMIC, she was the Officer-in-Charge of the Prosecution and Enforcement Department of the PSE. She was also Legal Counsel of the Office of Senator Miguel Zubiri, and prior to entering law school, a trader for United Coconut Planters Bank.

Qualifications:
Ms. Atienza earned her Bachelor of Science degree in Management from the Ateneo de Manila University and finished her Juris Doctor degree in the same university. In 2019, she completed the Strategic Business Economics Program of the University of Asia and the Pacific.

IC-Mandated Trainings and Other Trainings Attended in 2025: Strategic Leadership in Innovation and AI held from 03 to 07 May 2025; Corporate Branding and Reputational Management held on 31 July 2025; Beyond Checklist: Embedding Ethics, Governance and Privacy held on 04 September 2025; and PSE Bridge: Advancing Corporate Resilience through AI and Technology on 10 December 10, 2025.



Age: 45 years old

Date of first appointment: 2021

Length of Service: 6 years

Dan David D. Antonio

Assistant Corporate Secretary / Head of Legal

Present Directorship in other companies:
None.

Relevant experience:
Mr. Antonio has over 17 years of experience in corporate law, regulatory compliance, and corporate governance across the insurance, financial services, and FMCG sectors. He serves as Head of Legal and Assistant Corporate Secretary, with responsibility for corporate secretarial functions, Board and committee support, regulatory filings, litigation management, investigations, and fraud control. He acts as principal legal and governance advisor to the Board of Directors and senior management and represents the Company before regulators and adjudicatory bodies. He led initiatives that enhanced governance structure, disclosures, and regulatory compliance.

Qualifications: Mr. Antonio is a member of the Philippine Bar. He holds a Bachelor of Laws from the University of the Philippines College of Law and a Bachelor of Science in Economics from the University of the Philippines Los Banos. He completed an Executive Development Program at the Asian Institute of Management and has undertaken professional training in corporate governance, corporate secretarial practice, insurance operations, and regulatory compliance, including programs conducted by the Institute of Corporate Directors and LOMA.

IC-Mandated Trainings and Other Trainings Attended in 2025: LOMA - The Policy Lifecycle: Insurance Administration, March 2025; AXA-AIM Executive Development Program, March 2025; Corporate Governance Training held in April and October 2025.



Age: 45 years old

Date of first appointment: 2021

Length of Service: 4 years

Karen Jill M. Espineli

Chief Compliance Officer and General Counsel (Data Protection Officer, AMLA Officer, and Sanctions Officer)

Secretary of the BCGC

Present Directorship in other companies:
None.

Relevant experience: Ms. Espineli has more than 18 years of experience working in various industries as a Legal and Compliance Professional covering Anti-Money Laundering, Data Privacy, Anti-Bribery & Corruption, Conduct & Consumer Protection, Corporate Governance, Litigation Management, Mergers and Acquisition, Intellectual Property, Corporate Governance, and Contracts Drafting and Management. Prior to joining AXA Philippines, she was the head of the Regulatory unit of AIA Philippines. She was also the Head of Legal and Chief Compliance Officer of Paramount Life and General Insurance Corporation. She also worked as a consultant of the Velarde group of companies, including Now Corporation, a publicly-listed company. She was Head of the Legal Department of Almeda, Inc., a real estate company, and Counsel of the Estate of Ponciano Almeda.

Qualifications:
Ms. Espineli is a lawyer by profession. She obtained her Bachelor of Laws degree from the University of the Philippines College of Law and her Bachelor of Arts in Political Science from the University of the Philippines College of Social Sciences and the Philosophy.

IC-Mandated Trainings or Other Trainings Attended in 2025:
Corporate Governance Training held on 24 October 2025.



Age: 37 years old

Date of first appointment: February 1, 2024

Length of Service: 2 years

Zomerie Mercado

Chief Risk Officer / Secretary of the BRMAFC

Present Directorship in other companies:
None.

Relevant experience:
Ms. Mercado served as Product Development and Management Director in AXA Philippines from 2018 to 2024, Head of Distribution Data Analytics Development from 2016 to 2018, and Head of Valuation reporting in 2015. She also served as Regional Manager for Product Propositions and Pricing in AXA Asia Regional Office in 2015 to 2016.

Qualifications:
Ms. Mercado is a Fellow of the Actuarial Society of the Philippines (FASP), a Chartered Enterprise Risk Analyst (CERA), an Associate of the Society of Actuaries (ASA) and Associate, Life Management Institute (ALMI). She earned a Professional Masters in Applied Mathematics.

IC-Mandated Trainings or Other Trainings Attended in 2025:
Corporate Governance Orientation Program - Institute of Corporate Directors, April 29-30 2025; CyberSecPhil Conference 2025 – Empowering Tomorrow: A Cyber Resilient Future, February 19-20, 2025; Society of Actuaries Advance Corporate Finance Module, May 2025; Society of Actuaries Predictive Analytics, October 2025; 2025 Actuarial Society of the Philippines Conference, November 5-7, 2025; LOMA 321 – Insurance Marketing, December 2025; and AXA Group CRO Conference, May 20-21, 2025.



Age: 45 years old

Date of first appointment: 2025

Length of Service: <1 year

Matthieu Bartholomeus

Head Of Internal Audit

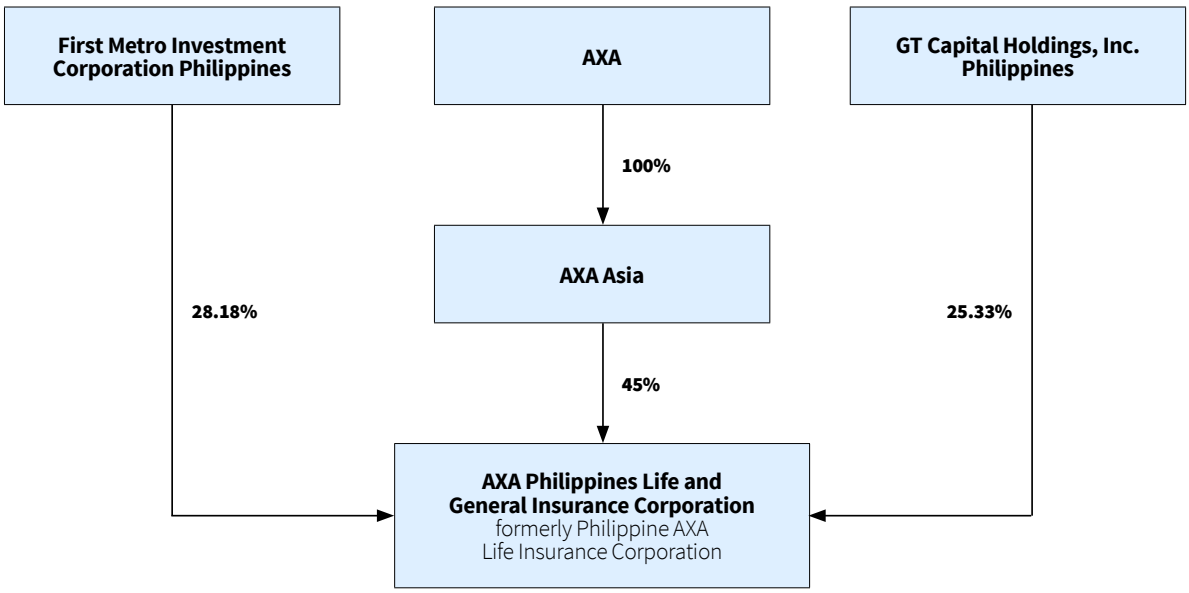
Present Directorship in other companies:
None.

Relevant experience:
Before serving as Head of Internal Audit of AXA Philippines, Mr. Bartholomeus held various roles, including Senior Internal Audit Manager at AXA Philippines, and Financial Controller at AXA Banque France.

Qualifications:
Mr. Bartholomeus graduated from the Assas University, Paris with a master's degree in Corporate and Market Finance. In 2023, he was certified as an Associate of the Life Management Institute.

IC-Mandated Trainings or Other Trainings Attended in 2025:
Actual Approach, Security and Data Privacy, Data Visualization for Data Analysis, Basic Statistics Foundation and Building an Ethics-based culture.

4.3 Corporate Structure



4.4 Corporate Governance

At AXA Philippines, governance is a disciplined culture rooted in safeguarding the trust and security of our policyholders. Our 11-member Board includes two independent directors and two women, with a globally-minded mix (six Filipino directors and directors from Egypt, the UK, Canada, and Australia) and extensive international experience. As a composite insurer, governance directs our underwriting, pricing, investments, and product development, always with a focus on transparency, fairness, and ethical conduct.

Operating within the framework of AXA Philippines' Corporate Governance Manual, By-laws, the Code of Corporate Governance for insurance companies, the Insurance Commission and SEC rules and regulations, and benchmarked against the ASEAN Corporate Governance Scorecard, we prioritize policyholder protection and trust. Celebrating 25 years in business, we earned our first Golden Arrow Award in 2025 from the Institute of Corporate Directors, recognizing our dedication to governance. Our governance structures support prudent risk management, ensuring long-term stability and security for our policyholders and the communities we serve.

4.4.1 Corporate Governance Manual

As part of its effort to maintain the highest standards of corporate governance, AXA Philippines has developed its Corporate Governance Manual (CGM).

The CGM seeks to unify the AXA Group Standards and existing corporate governance structure of AXA Philippines. The CGM also incorporates the corporate governance policies required by local regulators and defines the Terms of Reference (TOR) of the Board Sub-Committees, namely: Executive Committee, Board Risk Management Audit and Finance Committee (BRMAFC), Board Corporate Governance Committee (BCGC), and Board Nomination and Remuneration Committee (BNRC).

4.4.2 Board Charter

The Board Charter is the official statement setting out the roles and functions of the Board. It shall be read together with the Corporate Governance Principles and Leading Practices issued by the regulator for adoption by the insurance companies.

The adoption of the Board Charter serves as the confirmation by the Board of its adherence to the best practices on corporate governance.

4.5 The Board of Directors

4.5.1 Board Membership and Diversity

The Board of Directors is composed of eleven (11) directors. Each director possesses skills that allow him or her to make an effective contribution to the Board deliberations and processes. To ensure that optimal decision-making is achieved, it is critical that membership of the Board includes a diverse mixture of skills, professional and industry backgrounds, geographical experience and expertise, gender, age, tenure, ethnicity, nationality, and diversity of thought, whether social, cultural, political or religious.

The Board has at least two (2) independent directors or twenty percent (20%) of the members of the Board, who shall serve for a maximum cumulative term of nine (9) years. Non-Filipino citizens may become members of the Board to the extent of the foreign participation in the equity of the Company, provided, however, that a majority of the directors are residents of the Philippines.

4.5.2 Duties and Responsibilities of the Board

- Governance of the Company including its strategic direction;
- Reviewing and approving plans established by management;
- Monitoring of performance against agreed plans;
- Establishment and monitoring of sound risk management policies, internal controls and procedures, risk-based Money Laundering and Terrorism Financing Prevention Program (MTPP) geared towards the promotion of high ethical and professional standards and the prevention of money laundering and terrorist financing, and compliance with applicable legislative and regulatory requirements;
- Exercise active control and supervision in the formulation and implementation of institutional risk management. The Board shall be ultimately responsible for the AXA Philippines' compliance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML-CTF) laws, and their respective rules and regulations, other directives and guidance, and other Insurance Commission (IC) and Anti Money Laundering Council (AMLC) issuances.
- Delegation of authority to Management;
- Adopting an effective succession planning program for Directors, Key Officers and Management and to implement a process to appoint competent, professional, honest and highly motivated management officers who can add value to the Company; and
- Adopting a policy on the retirement age for Directors, Key Officers and Management of the Company as part of management succession and to promote dynamism in the Company.

The Board may delegate to its committees, a director or directors, management or any other person, authority to exercise any of its powers other than the powers reserved to it.

4.5.3 Ethical Duties

The directors consider that there are fundamental ethical values that underpin their role as directors and as members of its Board and committees. At all times, directors must:

- act with integrity;
- be honest and open with each other;
- ensure whenever and wherever possible that they do not engage in any activities that may result in a conflict of interest with their duties to the Company and that cannot be appropriately managed;
- work cooperatively among themselves and with management in the best interests of the Company;
- recognize the separate roles and responsibilities of the Board and management;
- be diligent and continuously strive to improve the Company and Board operations and performance;
- observe the letter and the spirit of the constitution, laws, regulations and any policies under which the Company operates;
- have an active interest in and concern for the communities in which the Company operates; and
- avoid any behavior that is likely to reflect badly on the Board or the Company.

4.5.4 Selection, Nomination and Election of Directors

The Board exerts best efforts to ensure that:

- its members can act critically and independently of each other;
- each member has sufficient expertise to perform his or her own role as board member;
- the Board matches the desired composition considering the nature of the business and aligned with the requirements for board composition in the AXA Group Standards;
- at least two (2) non-executive members of the Board have extensive experience in the insurance business;
- no less than twenty percent (20%) of its members (rounded off to the nearest whole number) are independent; and
- there is a balance of executives and non-executive directors such that no individual or small group of individuals can dominate the Board's decision making.
- The nomination and election process of the Company is reviewed annually;

- In the nomination and election of directors, the Board reviews the Board Nomination Committee's evaluation of the:
  - the knowledge, skills, experience and independence of candidates;
  - records of candidate to confirm their integrity and good reputation.

The Board is responsible for nominating members to the Board and filling vacancies in the Board that may occur between annual shareholders' meetings, in each case based on the recommendation of the BNRC. The BNRC recommends nominees for directorship to the Board in accordance with the process laid out in the BNRC Terms of Reference under the CGM.

4.5.5 Induction of New Directors and Continuous Training of Directors

The Board maintains an onboarding process for new directors through the Corporate Governance Committee. The Company encourages directors to update and enhance their skills and knowledge by attending appropriate training programs on director responsibilities. If necessary, funds shall be allocated by the company for the purpose of conducting an orientation program or workshop to operationalize the CGM. The incumbent as well as newly elected directors and key officers of the Corporation attend a continuing training on corporate governance and other relevant topics as may be required by the Insurance Commission conducted by a duly recognized private or government institute.

The orientation program for first time directors shall be for at least eight (8) hours, while the annual continuing training shall be at least four (4) hours. The training program shall cover IC mandated topics that are relevant in carrying out their duties and responsibilities as directors.

4.5.6 Performance Evaluation of the Board and Committees

The Board of Directors, through the BCGC, oversees the periodic evaluation (may be conducted through the use of self-assessments) of contribution and performance (e.g. competence, candor, attendance, preparedness and participation) of the Board of Directors, board-level committees, and senior management by the Company.

Every three (3) years, an external facilitator is engaged to conduct the assessment of the performance of the Board. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.

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.

4.5.7 Conflicts of Interest

Under AXA Philippines' Compliance and Ethics Code, directors are required to disclose any conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest except with the prior approval of the Board.

4.6 2025 Board Attendance

The Board holds regular meetings, at least seven (7) times a year on dates set at the last quarter of the preceding year. In 2025, the Board held seven (7) regular meetings.

Member	REGULAR January 30	REGULAR March 28	ANNUAL SHAREHOLDERS, ORGANIZATIONAL April 25	REGULAR June 25	REGULAR August 28	REGULAR November 4	REGULAR December 9
Solomon S. Cua	✓	✓	✓	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	✓	✓	✓	✓	✓	✓
Ayman Kandil	✓	✓	✓	✓	✓	✓	✓
Alesandra T. Ty	×	✓	✓	✓	✓	✓	✓
Sally O'Hara	✓	✓	✓	✓	✓	✓	✓
Gordon Watson	✓	✓	✓	×	✓	✓	✓
Peter Crewe	✓	✓	✓	×	✓	✓	✓
Rowel Vijandre	✓	✓	✓	✓	✓	✓	×
George Uy-Tioco, Jr.*	n/a		×	✓	✓	✓	✓
Francisco C. Sebastian*	n/a		✓	✓	✓	×	✓
Ramon Jaime L.V. Del Rosario**	✓	✓	n/a				
Carmelo Maria Luza Bautista**	✓	✓	n/a				
Hassan El-Shabrawishi***	✓	×	×	×	n/a		
Rodney Coelho****	n/a				✓	✓	✓

Legend:

**Appointed on 25 April 2025*
***Resigned on 24 April 2025*
****Resigned effective 26 August 2025*
*****Elected on 28 August 2025*

4.7 Board Committees

AXA Philippines exercises authority over specific aspects of its business through various Board Committees.

4.7.1 Executive Committee (EXCOM)

The EXCOM is currently composed of seven (7) directors which includes the Chairman of the Board, Vice-Chairman, and President and CEO. The EXCOM acts within the power and authority granted by the Board and is called upon when the Board is not in session to exercise the powers of the latter in the management of the Company.

The Committee also oversees the Company's investment strategy and performance. It assists the Board in fulfilling its governance responsibilities related to investments by reviewing and approving strategies, policies, and key transactions concerning portfolio investments of policyholder, unit holder, and shareholder funds.

Key responsibilities include:

- Approving investment strategies and policies;
- Approving investment mandates, including allowable investments, policy ranges, benchmarks, and risk limits;
- Reviewing the performance of key investment products;
- Approving delegations of authority to management;
- Approving large or non-standard investment transactions;
- Approving counterparties, brokers, custodians, and other investment service providers.

This structure ensures comprehensive oversight and strategic direction of the Company's investments.

4.7.1.1 2025 EXCOM Attendance

The EXCOM held four (4) regular meetings in 2025.

Member	REGULAR May 29	REGULAR Jul 28	REGULAR Sep 25	REGULAR Nov 27
Solomon S. Cua	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	×	✓	✓
Ayman Kandil	✓	✓	✓	✓
George Uy-Tioco, Jr.	×	✓	✓	✓
Francisco Sebastian	✓	✓	✓	✓
Sally O'Hara	×	✓	✓	✓
Hassan El-Shabrawishi*	×	×	n/a	
Rodney Coelho**	n/a		✓	✓

Legend:

**Resigned effective 26 August 2025*

***Elected on 28 August 2025*

4.7.2 Non-Executive Committees

To promote independent oversight and impartial discussions, the Board of Directors of AXA Philippines through its BRMAFC and BNRC convenes and meets regularly without any executives present. This practice enables non-executive directors to evaluate the company's performance, governance, and strategic issues objectively, ensuring that their oversight remains unbiased and effective. Such meetings enhance transparency, reinforce accountability, and support robust governance standards within the organization.

4.7.2.1 Board Risk Management, Audit & Finance Committee (BRMAFC)

AXA Philippines' BRMAFC is composed of four (4) non-executive directors. Each member must ensure compliance with applicable listing, legal & regulatory requirements, joint venture agreement as well as the AXA Group requirements on competence and independence. The Committee monitors and approves internal controls, risk management policies and procedures. It oversees the financial statements and reporting processes as well as the effectiveness, performance, and independence of the internal and external auditors.

4.7.2.1.a 2025 BRMAFC Attendance

The BRMAFC held four (4) regular meetings in 2025. Notably, at least two of these sessions were conducted without the presence of executives: (1) on March 18, 2025, a non-executive private session composed of the director-members and the external auditor was held, with no executives present; and (2) on November 27, 2025, an executive session with members and internal audit took place.

Member	REGULAR Mar 18	REGULAR Jun 19	REGULAR Oct 17	REGULAR Nov 27
Peter Crewe (Chairman)	✓	×	✓	✓
Rowel Vijandre	✓	✓	✓	✓
Solomon Cua	✓	✓	✓	✓
Sally O'Hara	✓	✓	✓	✓
George S. Uy-Tioco, Jr.*	N/A	✓	✓	×
Christian San Juan**	×	N/A		

Legend:

**Technical Adviser effective 25 April 2025*

*** Technical Adviser until 24 April 2025*

4.7.2.1.b Risk Management, Audit and Finance

AXA Philippines is in the business of risk, and risk management for our customers is one of its core competencies. AXA Philippines considers risks owned by the respective business units and process owners. Everyone in AXA Philippines is expected to proactively manage the risks inherent in their respective areas.

4.7.2.1.c Engagement of External Auditors

To allow the Committee to form an opinion on the effectiveness, performance and independence of the Company's external auditors, the Committee:

a. Considers the external auditors' internal policies and procedures regarding independence and quality control and receive confirmation that they have been applied;
b. Reviews the external auditors' assignment plan, annual report and management letter.
c. Monitors the statutory audit of the annual and consolidated financial statements;
d. Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the role of the Committee was in that process;
e. Reviews and monitors the independence of the external auditors;
f. Reviews and makes a recommendation to the Board of Directors as to the appointment of the external auditors to provide non-audit services after analyzing the threats to their independence and relevant safeguards that have been applied by the auditors;
g. Considers the Group Non-Audit Services Policy and its implementation and advises the Board as to whether any updates or changes should be made to the policy on a regular basis;
h. Reviews the breakdown of the fees paid to the external auditors by the Company;
i. Reviews and approves the appointment, reappointment, dismissal or resignation of the external auditors and oversees the process for selecting the external auditors, making recommendations regarding their appointment, reappointment, or dismissal to the Board;
j. Reviews the additional report required from the external auditors and including their declaration of independence; and
k. Discusses with the External Auditor the nature, scope, and expenses of the audit, and ensures proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts prior the commencement of the audit.

4.7.2.1.d. Non-Audit Services Provided by External Auditor in 2025

In 2025, Sycip, Gorres, Velayo & Co., the Company's external auditor, delivered a non-audit service by conducting a webinar on taxation for cross-border services specifically for AXA Philippines.

4.7.2.2 Board Corporate Governance Committee (BCGC)

The Board Corporate Governance Committee is composed of three (3) non-executive and one (1) executive director, two (2) of whom are independent directors, including the Chairman. The Committee assists the Board of Directors in fulfilling its corporate governance responsibilities by ensuring compliance with and proper observance of corporate governance laws, rules, principles, and best practices.

AXA Philippines commits to comply with all insurance and consumer laws and regulations. In this regard, AXA Philippines continuously enhances its compliance programs that assists its employees and the Board in identifying, measuring, monitoring, reporting and controlling compliance and business risks.

4.7.2.2a 2025 BCGC Attendance

The BCGC held four (4) regular meetings in 2025.

Member	REGULAR Mar 18	REGULAR Jun 19	REGULAR Oct 17	REGULAR Nov 27
Rowel Vijandre (Chairman)	✓	✓	✓	✓
Peter Crewe	✓	×	✓	✓
Sally O'Hara	✓	✓	✓	✓
George Uy Tioco*	n/a	✓	✓	✓
Ramon Jaime Del Rosario**	✓	N/A		

Legend:

**Elected and appointed effective 25 April 2025*
***No longer a member effective 24 April 2025*

4.7.2.3 Board Nomination and Remuneration Committee (BNRC)

The Board Nomination and Remuneration Committee is composed of four (4) non-executive directors, two (2) of whom are independent directors. The Committee assists the Board of Directors in fulfilling its governance and oversight responsibilities for identifying, evaluating and recommending non-executive director candidates to the Board and ensuring that non-executive directors have an appropriate mix of skills, expertise and experience and able to operate effectively.

The Committee is responsible for approving a framework for the remuneration of the directors, the Chief Executive Officer and key senior offices to attract, motivate and retain high performing senior executives, align remuneration with business performance, and motivate directors and management to pursue the long-term growth and success of the Company with an appropriate control framework. The Committee ensures the highest standards of governance and disclosure in relation to remuneration.

4.7.2.3a 2025 BNRC Attendance

The BNRC held a total of ten (10) meetings in 2025 without any executives present.

Member	Feb 4	Feb 12	Mar 3	Mar 7	Mar 12	Aug 14	Aug 26	Dec 7	Dec 15	Dec 18
Rowel Vijandre	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter Crewe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Solomon S. Cua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hassan El-Shab-rawishi*	✓	✓	✓	✓	✓	✓	✓	n/a		
Sally O'Hara**	n/a							✓	✓	✓

Legend:

**Resigned effective 26 August 2025*

***Appointed on 28 August 2025*

4.8 Compliance and Ethics Code

AXA Philippines upholds the AXA Group Compliance and Ethics Code as the foundation of its governance framework, recognizing that trust is essential to fulfilling our long-term commitments to customers and stakeholders. Guided by AXA's values—Customer First, Integrity, Courage, and One AXA—the Code serves as our shared "moral compass," shaping decision-making across all levels of the organization.

It outlines clear expectations on ethical conduct including prevention of conflicts of interest; bribery and corruption; and money laundering, financing of terrorism, breaching of international sanctions. It also includes guidance on treating customers fairly and professionally; protection and responsible use of personal data; protection and management of confidential information; protection of free competition; prevention of insider trading; prevention of discrimination and harassment; protection of health and safety; protection of the environment and human rights; and engagement with social media.

The company will take appropriate disciplinary action for any Code violation or other misconduct which, in the most serious cases may include termination and possible legal action.

4.8.1 Conduct and Customer Protection Policy

AXA Philippines is committed to fostering a culture of integrity, fairness, and customer-centricity through its Conduct and Customer Protection Policy. This policy aligns with both local regulations and the AXA Group standards, emphasizing three core pillars: Fair Customer Outcomes, Ethics & Business Practices, and Conduct Culture.

This policy underscores the importance of responsible conduct across all levels of the organization, guided by clear roles and responsibilities, including a dedicated Conduct Officer and oversight by the Conduct Committee. The policy mandates regular monitoring of conduct-related issues, proactive regulatory compliance, and continuous review to ensure effectiveness. By embedding these principles into its operations, AXA Philippines aims to deliver excellent customer service while maintaining the highest standards of integrity and accountability.

4.8.2 Anti-Bribery and Corruption Program

AXA Philippines adopts a zero-tolerance policy towards bribery and corruption. The Company is fully committed to complying with all anti-bribery and anti-corruption laws and regulations wherever it conducts business and has had, for many years, a variety of safeguards in place designed to ensure compliance with these laws and regulations by AXA Philippines and its employees. It is the policy of AXA Philippines to conduct all its business activities with honesty, integrity, and the highest possible ethical standards.

4.8.2.1 Standards and Controls

The AXA Philippines Anti-Bribery and Corruption (ABC) Program prohibits the offering, giving, requesting, receiving, facilitation or authorization of any illegal bribe or inducement which, in contravention of applicable law, results in personal gain or advantage to the recipient (or any person or body associated with the recipient) and which is intended to improperly influence a decision of the recipient (referred to herein as a "Bribe" or "Bribery").

AXA Philippines has a person designated in writing as the ABC Officer. The ABC Officer designs and implements the ABC Program. Senior management ensures that the ABC Officer has the authority, competence, and sufficient resources to discharge his or her responsibilities effectively.

4.8.2.2 Anti-Bribery and Corruption (ABC) Program

The program covers, as a minimum, the following 5 requirements (i) actions to mitigate risks identified during the ABC Risk Assessment exercise, (ii) a communication/ awareness/training plan, (iii) actions to mitigate any recommendations raised during Group ABC Technical Reviews, (iv) major ABC projects, and (v) the local control testing plan for the ABC program.

4.8.2.3 Specific Activities

- Policies and Procedures
  - As part of the ABC Program, AXA Philippines has in place the ABC Code of Conduct, Gifts and Entertainment Policy, Whistleblower Policy, and other related policies and procedures.
  - Finance Team has procedures in place designed to ensure that business expenses are not used to pay Bribes.
  - AXA Philippines has appropriate risk-based due diligence procedures designed to assess the ABC risk of third parties engaged by AXA, which includes appropriate ABC representations and warranties in contracts with third parties.
- Training and Awareness
  - Compliance Team conducts periodic internal communication on the ABC policies and procedures.
  - Training specific to business roles are conducted on a periodic basis and are included in other compliance and/or ethics training.
- Monitoring and Breach Reporting
  - AXA Philippines companies have procedures in place for suspected or actual instances of non-compliance with the ABC Program, to be reported to the Chief Compliance Officer, Chief Executive Officer or to the Audit Committee in accordance with applicable escalation or whistle blower policies.
  - The ABC policies, procedures, controls and risk assessment developed are reviewed by the entity on an appropriate periodic basis. The objective of this review is to ensure they remain effective in light of changes in business organization, commercial activities, third party relationships, and personnel.

4.8.3 Related Party Transactions Guidelines

AXA Philippines has an existing Related Party Transactions (RPT) Guidelines being implemented pursuant to Insurance Commission Circular No. 2017-29 dated 2 May 2017. These guidelines are being implemented to: (1) Ensure that Related Party transactions are only undertaken on an arm's length basis for the financial, commercial and economic benefit of AXA Philippines and the entire group where AXA Philippines belongs; (2) Identify, manage or avoid conflict of interest and comply with regulatory and best practices; and (3) Ensure that a process for approval or rejection of Related Party transaction has been undertaken.

The RPT Guidelines cover and capture a broader spectrum of transactions, not only those that give rise to credit and/ or counterparty risks but also those that could pose material risk or potential abuse to AXA Philippines and its stakeholders. Approval and endorsement by the appropriate Related Party Committee is required for all related party transactions which would have significant risks to AXA Philippines, among others.

Under the guidelines, the members of the board, stockholders, and management are required to disclose to the Related Party Committee whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting AXA Philippines.

Directors and officers with personal interest in the transaction are directed to abstain from the discussion, approval and management of such transaction or matter affecting AXA Philippines.

The guidelines also require disclosure and reporting according to the requirements of regulations.

4.8.4 Dividend Policy

AXA Philippines will declare and pay dividends out of the unrestricted retained earnings which will be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of the By-laws, and the reasonable financial requirements of the company for the following 12 months for the company to maintain a solvency ratio that is at least compliant with the applicable laws. Such margin is determined by the Board of Directors from time to time.

In 2025, the Company did not declare dividends in line with its strategic priorities.

4.8.5 Whistle Blowing and Investigations Policy

AXA Philippines adheres to its Whistleblowing and Investigations Policy which is designed to facilitate fair and thorough investigation of all reported concerns of behavior or processes believed to be inappropriate, unethical or illegal which may cause detriment to an individual or to AXA through a mechanism that ensures that the person making the disclosure is protected from any potential reprisals or recriminatory actions. All reported incidents and any information given will be treated in confidence and every effort will be made not to reveal the identity of the person making the disclosure. Reporting of any concerns or suspicions on behavior or processes believed to be inappropriate, unethical or illegal may be made through the following details below:

AXA Philippines
34/F GT Tower, 6813 Ayala Avenue corner
H.V. dela Costa Street, Makati City
Tel. No.: +63 2 885-0101
Email: whistleblower@axa.com.ph
or customer.service@axa.com.ph

AXA Region Email: whistleblower@axa.com.hk
AXA Group Email: speak-up@axa.com

5 Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
AXA Philippines Life and General Insurance Corporation

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

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

March 26, 2026

AXA PHILIPPINES LIFE AND GENERAL INSURANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION

	Notes	December 31 2025	2024
ASSETS			
Cash and cash equivalents	5	**₱9,609,267,664**	₱7,757,095,382
Insurance receivables	6	**2,788,847,944**	1,723,310,453
Financial assets	7		
Financial assets at fair value through profit or loss		**2,093,774,792**	1,770,038,458
Available-for-sale financial assets		**27,651,910,656**	25,113,238,409
Loans and receivables - net		**1,121,514,448**	1,186,853,919
Accrued income	10	**444,373,713**	382,774,105
Reinsurance assets	8	**2,504,288,515**	3,031,338,995
Deferred acquisition costs	9	**430,062,618**	256,115,025
Property and equipment - net	12	**353,897,438**	367,650,232
Assets held-for-sale	13	**73,286,376**	37,803,000
Right-of-use assets - net	29	**272,529,481**	425,781,240
Intangible assets - net	14	**389,136,112**	371,364,095
Goodwill	4	**1,150,263,995**	1,150,263,995
Deferred tax assets - net	26	**436,240,134**	612,310,578
Other assets		**615,974,579**	603,545,705
		49,935,368,465	44,789,483,591
Assets held to cover unit-linked liabilities	15	**148,271,129,971**	141,242,994,887
		₱198,206,498,436	₱186,032,478,478
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	16	**₱24,124,627,377**	₱22,120,686,267
Trade and other liabilities	19	**4,548,707,316**	4,289,716,941
Insurance payables	18	**1,521,441,271**	1,077,103,793
Life insurance deposits		**271,410,989**	311,801,686
Lease liabilities	29	**301,185,950**	458,130,166
Pension liability - net	25	**123,928,033**	188,151,652
Premium deposit fund		**296,944,776**	347,407,438
Income tax payable		**–**	56,340,703
Deferred reinsurance commission	9	**31,388,337**	67,491,412
		31,219,634,049	28,916,830,058
Unit-linked liabilities	15	**148,271,129,971**	141,242,994,887
		179,490,764,020	170,159,824,945
Equity			
Capital stock	20	**2,000,000,000**	2,000,000,000
Contributed surplus	20	**1,650,764,836**	1,650,764,836
Contingency surplus		**9,343,183**	9,343,183
Retained earnings	20	**17,082,251,518**	14,546,959,694
Revaluation reserves on available-for-sale financial assets	21	**(514,228,713)**	(588,978,053)
Remeasurement gains on life insurance reserves	16	**1,002,896,218**	817,459,161
Actuarial gains on defined benefit plan	25	**85,635,588**	38,032,926
Treasury stock	20	**(2,600,928,214)**	(2,600,928,214)
		18,715,734,416	15,872,653,533
		₱198,206,498,436	₱186,032,478,478

See accompanying Notes to Financial Statements.

AXA PHILIPPINES LIFE AND GENERAL INSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Years Ended December 31 2025	2024
REVENUE			
Gross premiums on insurance contracts issued		**₱36,174,118,306**	₱30,442,409,748
Premiums ceded to reinsurers		**(2,238,803,839)**	(1,830,404,501)
Net insurance premiums	22	**33,935,314,467**	28,612,005,247
Subscriptions allocated to investment in unit-linked funds	15	**(19,191,278,049)**	(14,049,448,943)
		14,744,036,418	14,562,556,304
Gain on assets held to cover unit-linked liabilities	23	**11,054,868,134**	15,135,515,953
Asset management fees	15	**2,681,615,096**	2,728,586,173
Investment income	22	**1,940,688,336**	1,864,882,655
Commission income		**144,917,829**	129,665,019
Foreign exchange gains - net		**89,787,510**	82,459,943
Other income		**9,098,958**	11,860,398
		30,665,012,281	34,515,526,445
BENEFITS, CLAIMS AND OPERATING EXPENSES			
Gross benefits and claims	22	**29,049,799,274**	30,500,987,084
Reinsurers' share of gross benefits and claims	22	**(1,274,399,470)**	(846,241,010)
Gross change in insurance contract liabilities	22	**(544,318,619)**	(430,264,531)
Reinsurer's share of gross change in insurance contract liabilities	22	**352,174,529**	325,872,587
Decrease in unit-linked liabilities due to surrenders	15, 22	**(24,017,730,396)**	(25,672,193,607)
Net benefits and claims incurred		**3,565,525,318**	3,878,160,523
Increase in legal policy reserves	22	**1,918,997,066**	2,719,816,804
Net insurance benefits and claims		**5,484,522,384**	6,597,977,327
Increase in unit-linked liabilities due to gain on assets held to cover unit-linked liabilities	23	**11,054,868,134**	15,135,515,953
Operating and administrative expenses	24	**7,875,373,278**	6,900,735,723
Commission expense		**2,414,415,295**	2,083,621,938
Premium and documentary stamp taxes		**293,612,401**	278,830,353
Agency development expenses		**204,477,777**	161,332,138
Interest on lease liabilities	29	**29,214,596**	37,177,238
Interest on defined benefit obligation	25	**6,521,679**	4,650,989
Interest on premium deposit fund		**4,899,715**	5,151,879
Medical and inspection fees		**4,695,830**	3,659,170
		27,372,601,089	31,208,652,708
INCOME BEFORE INCOME TAX		**3,292,411,192**	3,306,873,737
PROVISION FOR INCOME TAX	26	**757,119,368**	796,886,930
NET INCOME		**2,535,291,824**	2,509,986,807
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified into profit or loss, net of tax:			
Remeasurement gains (losses) on defined benefit plan	25	**47,602,662**	(51,953,716)
Net change in remeasurement on life insurance reserves	16	**185,437,057**	(114,641,528)
		233,039,719	(166,595,244)
Item that will be reclassified into profit or loss:			
Net change in fair value of available-for-sale financial assets	21	**74,749,340**	41,653,314
		307,789,059	(124,941,930)
TOTAL COMPREHENSIVE INCOME		**₱2,843,080,883**	₱2,385,044,877

See accompanying Notes to Financial Statements.

AXA PHILIPPINES LIFE AND GENERAL INSURANCE CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 20)	**Contributed Surplus**	**Contingency Surplus**	**Revaluation Reserves on Available-for-Sale Financial Assets** (Note 21)	**Remeasurement Gains (Losses) on Life Insurance Reserves** (Note 16)	**Actuarial Gains (Losses) on Defined Benefit Plan** (Note 25)	**Retained Earnings** (Note 20)	**Treasury Stock** (Note 20)	**Total**
Balances as at January 1, 2025	**₱2,000,000,000**	**₱1,650,764,836**	**₱9,343,183**	**(₱588,978,053)**	**₱817,459,161**	**₱38,032,926**	**₱14,546,959,694**	**(₱2,600,928,214)**	**₱15,872,653,533**
Net income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**2,535,291,824**	**–**	**2,535,291,824**
Other comprehensive income for the year	**–**	**–**	**–**	**74,749,340**	**185,437,057**	**47,602,662**	**–**	**–**	**307,789,059**
Total comprehensive income	**–**	**–**	**–**	**74,749,340**	**185,437,057**	**47,602,662**	**2,535,291,824**	**–**	**2,843,080,883**
As of December 31, 2025	**₱2,000,000,000**	**₱1,650,764,836**	**₱9,343,183**	**(₱514,228,713)**	**₱1,002,896,218**	**₱85,635,588**	**₱17,082,251,518**	**(₱2,600,928,214)**	**₱18,715,734,416**
Balances as at January 1, 2024	₱2,000,000,000	₱1,650,764,836	₱9,343,183	(₱630,631,367)	₱932,100,689	₱89,986,642	₱13,536,972,887	(₱2,600,928,214)	₱14,987,608,656
Net income for the year	–	–	–	–	–	–	2,509,986,807	–	2,509,986,807
Other comprehensive income (loss) for the year	–	–	–	41,653,314	(114,641,528)	(51,953,716)	–	–	(124,941,930)
Total comprehensive income (loss)	–	–	–	41,653,314	(114,641,528)	(51,953,716)	2,509,986,807	–	2,385,044,877
Dividend declaration	–	–	–	–	–	–	(1,500,000,000)	–	(1,500,000,000)
As of December 31, 2024	₱2,000,000,000	₱1,650,764,836	₱9,343,183	(₱588,978,053)	₱817,459,161	₱38,032,926	₱14,546,959,694	(₱2,600,928,214)	₱15,872,653,533

See accompanying Notes to Financial Statements.

AXA PHILIPPINES LIFE AND GENERAL INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Notes	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱3,292,411,192**	₱3,306,873,737
Adjustments for:			
Interest income	22	**(1,996,503,779)**	(1,760,874,824)
Depreciation and amortization	24	**499,666,194**	470,040,425
Retirement expense	25	**129,406,872**	110,638,185
Fair value losses on financial assets at fair value through profit or loss	7	**119,502,897**	4,695,145
Provision for (reversal of) credit and impairment losses	6,7,8,21	**76,019,281**	(52,495,843)
Amortization on bond premium	7	**71,595,552**	97,070,006
Unrealized foreign exchange losses		**70,872,864**	80,848,482
Dividend income	22	**(37,535,196)**	(42,577,325)
Interest on lease liabilities	29	**29,214,596**	37,177,238
Interest on defined benefit obligation	25	**6,521,679**	4,650,989
Gain on sale of property and equipment		**(4,240,789)**	–
Gain on sale of available-for-sale financial assets	21	**(3,756,582)**	(16,635,340)
Gain on termination of lease liability		**(218,778)**	(2,457,253)
Operating income before changes in working capital		**2,252,956,003**	2,236,953,622
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Insurance receivables		**(1,143,959,263)**	190,778,102
Reinsurance assets		**553,723,560**	218,212,071
Deferred acquisition cost		**(173,947,593)**	(45,911,834)
Loans and receivables		**62,476,074**	481,288,403
Assets held-for-sale		**(35,483,376)**	(24,191,600)
Other assets		**(12,428,874)**	(102,792,775)
Increase (decrease) in:			
Insurance contract liabilities		**2,251,190,520**	2,298,706,199
Insurance payables		**444,337,478**	(48,123,475)
Trade and other liabilities		**258,990,375**	89,075,977
Premium deposit fund		**(50,462,662)**	51,538,097
Life insurance deposits		**(40,390,697)**	(17,310,705)
Deferred reinsurance commission		**(36,103,075)**	22,057,135
Net cash generated from operations		**4,330,898,470**	5,350,279,217
Interest received		**1,934,232,787**	1,703,425,187
Income taxes paid		**(715,069,534)**	(704,921,783)
Contribution paid to the pension fund	25	**(136,681,954)**	(145,264,769)
Dividends received		**38,206,580**	43,360,563
Interest paid on lease liability	29	**(29,214,596)**	(37,177,238)
Net cash provided by operating activities		**5,422,371,753**	6,209,701,177

(Forward)

	Notes	Years Ended December 31 **2025**	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal/maturities of:			
Available-for-sale financial assets	7	**₱2,823,126,974**	₱2,301,040,380
Financial assets at fair value through profit or loss	7	**195,018,643**	168,011,458
Property and equipment	12	**6,486,199**	–
Acquisitions of:			
Available-for-sale financial assets	7	**(5,376,296,043)**	(7,114,001,765)
Financial assets at fair value through profit or loss	7	**(619,343,228)**	(44,855,751)
Property and equipment	12	**(159,439,707)**	(136,641,826)
Intangible asset	14	**(146,519,846)**	(188,830,387)
Net cash used in investing activities		**(3,276,967,008)**	(5,015,277,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	29	**(203,444,953)**	(197,034,871)
Cash dividends paid	20	**–**	(2,500,000,000)
Net cash used in financing activities		**(203,444,953)**	(2,697,034,871)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,941,959,792**	(1,502,611,585)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**(89,787,510)**	(82,459,943)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**7,757,095,382**	9,342,166,910
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**₱9,609,267,664**	₱7,757,095,382

See accompanying Notes to Financial Statements.

AXA PHILIPPINES LIFE AND GENERAL INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

AXA Philippines Life and General Insurance Corporation (the Company) was incorporated in the Philippines on December 4, 1962 to engage in selling personal and group insurance, including life insurance, accident and other insurance products that are permitted to be sold by a life insurance company in the Philippines. On May 22, 2003, the Insurance Commission (IC) approved the Company's license to sell variable or unit-linked insurance, a life insurance product which is linked to investment funds.

On February 20, 2019, Republic Act No. 11232, otherwise known as the "Revised Corporation Code of the Philippines" or "RCC", was signed into law. The RCC took effect on February 23, 2019. The corporate term of a corporation with certificate of incorporation issued prior to the effectivity of the RCC and which continue to exist, shall be deemed perpetual upon the effectivity of the RCC, without any action on the part of the corporation. As of February 23, 2019, the Company is deemed to have selected a perpetual term.

The Company is 45% owned by the AXA Group of Companies through AXA Asia, a company based in France, 28% owned by First Metro Investment Corporation (FMIC), a domestic corporation, 25% owned by GT Capital Holdings, Inc. (GT Capital), a domestic corporation, and 2% owned by individual stockholders. Its principal place of business is at 34th Floor GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa Street, Makati City, 1227 Metro Manila, Philippines.

On June 24, 2021, the Board of Directors (BOD) approved the merger of the Company and its subsidiary, CPAIC, with the Company as the surviving entity. The IC approved the endorsement Articles of Merger and related amendments on December 21, 2021. The Securities and Exchange Commission (SEC) approved these on December 28, 2022. The Company adopted December 31, 2022, as the merger's effective date for convenience. The merger was accounted for using the pooling of interest method, recognizing assets and liabilities at their carrying amounts (see Note 4).

After the approval of the merger, the Company is further engaged in the business of non-life insurance which includes fire, motor car, marine hull, marine cargo, personal accident insurance and other products that are permitted to be sold by a non-life insurance company in the Philippines. As such, the Company now is engaged in both life and non-life insurance business.

Subsequently, on January 10, 2023, the Company applied for a composite license to the IC and received approval on December 19, 2024.

In line with the merger, the name of the Company was changed from Philippine AXA Life Insurance Corporation to AXA Philippines Life and General Insurance Corporation, effective December 18, 2023. The primary motivation behind this change is to better represent the full scope of AXA Philippines' business activities, including both life and non-life insurance.

The accompanying financial statements were authorized for issue by the BOD on March 26, 2026.

2. **Material Accounting Policy Information**

Basis of Preparation
The accompanying financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and available-for-sale (AFS) financial assets, which have been measured at fair value, and assets held-for-sale which are measured at the lower of carrying amount and fair value less costs to sell. The financial statements are presented in Philippine Peso (₱), which is the Company's functional currency. All values are rounded to the nearest peso except when otherwise stated.

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

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2025.

Except as otherwise indicated, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Company:

- Amendments to PAS 21, *Lack of exchangeability*

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

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

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

Foreign Currency Translation
Transactions in foreign currencies are initially recorded in the functional currency of the Company, at the foreign exchange rates prevailing at the respective date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the functional currency rate of exchange ruling at the reporting date and are not subsequently restated. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. 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. All foreign exchange differences are taken to profit or loss, except where it relates to available-for-sale financial assets which gains or losses are recognized directly in other comprehensive income.

In this case, the gain or loss is then recognized net of the exchange component in the other comprehensive income.

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



transfer financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index, or other variable. Investment contracts mainly transfer significant financial risk but can also transfer insignificant insurance risk.

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

Insurance and investment contracts are further classified as being with or without discretionary participation features (DPF).

DPF is a contractual right to receive, as a supplement to guaranteed contracts, additional benefits that are likely to be a significant portion of the total contractual benefits, whose amount or timing is contractually at the discretion of the issuer, and that are contractually based on the performance of a specified pool of contracts or a specified type of contract, realized and or unrealized investment returns on a specified pool of assets held by the issuer, or the profit or loss of the Company, fund or other entity that issues the contract.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded financial derivatives separately at FVPL. Bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF or when the host insurance contract and/or investment contract with DPF itself is measured at FVPL. The options and guarantees within the insurance contracts issued by the Company are treated as derivative financial instruments which are clearly and closely related to the host insurance and therefore not bifurcated subsequently. As such, the Company does not separately measure options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate). Likewise, the embedded derivative in unit-linked insurance contracts linking the payments on the contract to units of internal investment funds meets the definition of an insurance contract and is therefore not accounted for separately from the host insurance contract.

Insurance Receivables

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

Financial Instruments

Date of recognition

The Company recognizes a financial asset or a financial liability in the Company statements of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

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

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 by the Company.

For measurement and disclosure purposes, the Company determines the fair value of an asset or liability at initial measurement or at each reporting date.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

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

The Company uses valuation techniques that are appropriate in the circumstance 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.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable current market prices exist, option pricing models, and other relevant valuation models. Any difference noted between the fair value and the transaction price is recognized in profit or loss, unless it qualifies for recognition as some type of asset or liability.

The Company's Investment Committee determines the policies and procedures for fair value measurement.

For valuation of significant assets, such as investment properties, external valuers are engaged. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained.



At each reporting date, the investment committee analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Investment Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Investment Committee also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

'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 Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial instruments at FVPL
This category consists of financial assets or financial liabilities that are held-for-trading or designated by management as at FVPL on initial recognition.

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

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

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

The investments (debt and equity securities) of the unit-linked fund set up by the Company underlying the unit-linked insurance contracts (included under Assets held to cover unit-linked liabilities) are designated as at FVPL since these are managed and their performance are evaluated on a fair value basis, in accordance with the investment strategy.

Financial assets at FVPL are recorded in the Company statements of financial position at fair value, with changes in the fair value recorded in profit or loss, included in 'Fair value gains (losses) from financial assets at FVPL under 'Investment income' account.

As of December 31, 2025 and 2024, the Company has no financial liabilities classified as FVPL.



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

After initial measurement, AFS financial assets are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in profit or loss.

Interest earned on holding AFS financial assets is reported as interest income using the effective interest rate. Dividends earned on holding AFS financial assets are recognized in profit or loss when the right to receive payment has been established. Interests and dividends are recognized under 'Investment income' account in profit or loss. The unrealized gains and losses arising from the fair valuation of AFS financial assets are reported in equity as 'Revaluation reserves on available-for-sale financial assets'. The losses arising from impairment of such financial assets are recognized as 'Provision for credit and impairment losses' under 'Operating and administrative expenses' in profit or loss. When a security is disposed of, the cumulative gain or loss previously recognized as other comprehensive income is reported as 'Gain or loss on sale of available-for-sale financial assets' under 'Investment income' in profit or loss.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, these investments are carried at cost, less any allowance for credit and impairment losses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held-for-trading, nor designated as AFS or at FVPL.

This accounting policy relates to the Company statements of financial position captions:
(a) 'Cash and cash equivalents', (b) 'Insurance receivables', (c) 'Loans and receivables-net' (including those under 'Assets held to cover unit-linked liabilities'), and (d) 'Accrued income' (including those under 'Assets held to cover unit-linked liabilities').

After initial measurement, the loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for credit and impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included under 'Investment income' in profit or loss. The losses arising from impairment of such loans and receivables are recognized as 'Provision for credit and impairment losses' under 'Operating and administrative expenses' in profit or loss.

Other financial liabilities
Issued financial liabilities or their components, which are not designated as financial liabilities at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to 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. This includes investment contracts which mainly transfer financial risk and has no or insignificant insurance risk.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Interest expense are charged to profit or loss as incurred.

Any effects of restatement of foreign currency-denominated liabilities are recognized in profit or loss.

This accounting policy relates to the Company statements of financial position captions: (a) 'Premium deposit fund', (b) 'Life insurance deposits', (c) 'Insurance payables', (d) 'Trade and other liabilities' and (e) 'Dividends payable' under 'Insurance contract liabilities' that meet the above definition (other than liabilities covered by other accounting standards, such as pension liability and income tax payable). This accounting policy relates also to the payables included under the 'Assets held to cover unit-linked liabilities' account.

Classification of Financial Instruments Between Debt and Equity
A financial instrument is classified as debt if it has a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company; or
- 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.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual agreement. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income.

Distributions to holders of financial instrument classified as equity are charged directly to liabilities and equity, net of any related income tax benefits.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Company statements 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.

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

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.



Evidence of impairment may include indications that the borrower, or a group of borrowers, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss on financial assets carried at amortized cost (i.e., receivables) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (EIR). The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognized in the Company statements of comprehensive income as 'Provision for credit and impairment losses' under 'Operating and administrative expenses'. The asset, together with the associated allowance accounts, is written off when there is no realistic prospect of future recovery.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

The Company performs a regular review of the age and status of its insurance receivables, designed to identify receivables with objective evidence of impairment and provide the appropriate allowance for credit and impairment losses. The review is accomplished using a combination of specific and collective assessment approaches, with the impairment loss being determined for each risk grouping identified by the Company (see Note 6).

AFS financial assets carried at fair value
For equity investments classified as AFS financial assets, impairment indicators would include a significant or prolonged decline in the fair value of an investment below its cost or where other objective evidence of impairment exists. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) is removed from equity and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.



In the case of debt instruments classified as AFS, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss and is recorded as part of 'Investment income' account in profit or loss.

If, in a subsequent period, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Derecognition of Financial Assets and Liabilities

Financial asset

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 right to receive cash flows from the asset have expired;
- the 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 Company has transferred its right 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 the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a 'pass-through' arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Company could be required to repay.

Financial liabilities

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

Reinsurance

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

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. The impairment loss is charged to profit or loss.

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

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



Reinsurance assets or liabilities are derecognized when the contractual right is extinguished, has expired, or when the contract is transferred to another party. When the Company enters into a proportional treaty reinsurance agreement for ceding out its insurance business, the Company initially recognizes a liability at transaction price. Subsequent to initial recognition, the portion of the amount initially recognized as a liability which is presented as "Insurance payables" in the liabilities section of the financial statements of financial position will be withheld and recognized as "Funds held for reinsurers" and included as part of the "Insurance payables" in the liabilities section of the statements of financial position. The amount withheld is generally released after a year. Funds held by ceding companies is accounted for in the same manner.

Deferred Acquisition Costs (DAC)

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

Subsequent to initial recognition, these costs are amortized on a straight-line basis using the 24th method over the life of the contract. Amortization is charged against profit or loss. The unamortized acquisition costs are shown as 'Deferred acquisition costs' in the statements of financial position.

An impairment review is performed at each end of the reporting period or more frequently when an indication of impairment arises. The carrying value is written down to the recoverable amount. The impairment loss is charged to profit or loss.

Investment Properties

Property held for long-term rental yields or for capital appreciation, or for both, is classified as investment property. These properties are initially measured at cost, which includes transaction cost, but excludes day-to-day servicing cost. Subsequently, at each end of the reporting period, such properties are carried at cost less accumulated depreciation and impairment in value.

Depreciation of investment property is computed using the straight-line method over its useful life, regardless of utilization. The estimated useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties. The estimated useful life of the investment properties is twenty years.

Transfers are made to and from investment property when, and only when, there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Investment property is derecognized when it has been disposed of or when permanently withdrawn from use and no future benefit is expected from its disposal.

Any gain or loss on the retirement or disposal of investment properties is recognized in profit or loss in the year of derecognition.



Property and Equipment

The Company's property and equipment consist of land, building and equipment that do not qualify as investment properties. Property and equipment, including owner occupied properties, are carried at cost less accumulated depreciation and amortization and accumulated impairment in value. Such cost includes initial transaction costs, but excludes day-to-day servicing cost. Replacement or major inspection cost is capitalized if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured.

Depreciation and amortization is computed using the straight-line method over the estimated useful life of the assets. Leasehold improvements are amortized over the estimated useful life of the improvements or the term of the related lease, whichever is shorter. The estimated useful lives of the different categories of property and equipment follow:

	Years
Building	20
Leasehold improvements	5-8 years or the related lease term whichever is shorter
Transportation equipment	5
Computer equipment	3-5 years
Furniture and equipment	5

The assets' residual values, useful lives and depreciation and amortization method are reviewed at each reporting date and adjusted if appropriate to ensure that the period, residual value and the method of depreciation and amortization are consistent with the expected pattern of consumption of future economic benefits embodied in the asset.

An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognized. This is not applicable to items that still have useful lives but are currently classified as idle. Depreciation continues for those items until fully depreciated or disposed.

Assets Held-for-Sale

The Company classifies assets as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less 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 the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Intangible Assets
Intangible assets are carried at cost less accumulated amortization and impairment in value, if any. Intangible assets, consisting mainly of software (not an integral part of its related hardware), are capitalized at cost. These costs are amortized on a straight-line basis over their estimated useful lives ranging from three (3) to five (5) years. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

Gains or losses arising from 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 profit or loss when the asset is derecognized.

Legal Merger
The Company accounted for the legal merger similar to pooling of interest method. Under this approach, the acquired assets and assumed liabilities from the absorbed entity are recognized at the carrying amounts as of the date of the effectivity of the legal merger. This includes any goodwill recognized when the absorbed entity was originally acquired. Under this approach, the legal merger of the Company is in substance the redemption of the Company's shares in the absorbed entity, in exchange for the underlying assets of the absorbed entity.

Goodwill
Goodwill arising on the acquisition of a subsidiary is recognized as an asset at the date the control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held interest, if any, in the entity over the net fair value of the identifiable net assets recognized.

Goodwill is not amortized, but is reviewed for impairment at least annually. Any impairment loss is recognized immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non-Financial Assets
At each reporting date, the Company assesses whether there is any indication that non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed for the cash generating unit to which the asset belongs.

Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit).



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

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase in other comprehensive income. After such reversal, the depreciation and amortization expense are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Insurance Contract Liabilities

Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts is calculated on the basis of a stringent prospective actuarial valuation method where the assumptions used depend on the best estimates prevailing at the inception of the contract. Assumptions and actuarial valuation methods are also subject to provisions of the Insurance Code (the Code) and guidelines set by the IC. Subsequently, new estimates are developed at each reporting date to determine whether the liabilities reflect the current experience. Improvements and significant deteriorations in estimates have an impact on the value of the liabilities.

Life insurance contracts with fixed and guaranteed terms

Premiums are recognized as revenue when they become due from the policyholders except for single premium business where the revenue is recognized when the policy becomes effective.

Benefits are recorded as an expense when they are incurred and are accrued as a liability.

An increase in liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is determined as the sum of the present value of future benefits and expenses, less the present value of the future gross premiums arising from the policy contract discounted at the appropriate discount rates as published by IC. The expected future cash flows are determined using the best estimate assumptions with Margins for Adverse Deviation (MfAD) determined as prescribed by IC.

Changes in legal policy reserves due to increase (decrease) in discount rate would be recorded as 'Net change in remeasurement on life insurance reserves' under other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The liability is based on actuarial assumptions such as mortality and morbidity, maintenance expenses, and lapse and/or persistency rates that are established at the time the contract is issued and updated at each valuation date, as needed. MfAD is also included in the assumptions. For policies with contract horizons of a year or less than a year (such as yearly renewable riders and most group policies), reserves are computed by calculating the unearned portion of the written premiums for the year.

Provision is also made for the cost of claims incurred but not reported (IBNR) as of the reporting date based on the Company's experience. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statements of comprehensive income in later periods, when such revisions arise.

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

Non-life insurance contracts
Insurance contract liabilities are recognized when contracts are entered into and premiums are charged.

Provisions for claims reported, provision for claims Incurred But Not Reported (IBNR) losses, claims handling expense (CHE) and Margin for Adverse Deviation (MfAD)
Provisions for claims reported are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of which cannot be known with certainty at the end of each reporting date. The liability is not discounted for the time value of money.

Provision for claims IBNR pertains to amount provided for claim events that have occurred but have not been reported to the Company as of the reporting date. The provision for claims IBNR at each reporting date is calculated by an actuary using standard actuarial projection techniques (or combination of such techniques), including but not limited to the chain ladder method, the expected loss ratio approach, and the Bornhuetter-Fergusion method. The actuary determines the appropriateness of the method used by considering the characteristics of the Company's claims data and other factors such as maturity of the business, large losses arising from significant past events, operational changes in claims and underwriting processes and external conditions.

The Company shall include an MfAD to allow for inherent uncertainty of the best estimate of the policy reserves which shall be determined by an independent actuary at least on an annual basis based on standard projection techniques or combination of such techniques such as, but not limited to, the Mack Method, Bootstrapping Method, Stochastic Chain Ladder Method to bring the actuarial estimate of the policy liabilities at the 75% level of sufficiency.

Provision for claims handling expenses is also calculated by the actuary to cover estimated expenses of settling all claims, both reported and unreported, outstanding as of the reporting date.

Quarterly, an actuarial valuation is performed on the gross and net claims and premium liabilities to ensure that the reserves are in compliance with the Valuation Standards for Non-Life Insurance Policy Reserves as required by the IC guided by Sections 219 and 220 of the Amended Insurance Code (Republic Act (RA) No. 10607) along with Circular Letters No. 2018-18 and No. 2018-19. Additional reserves are set up if the result of the actuarial investigation shows that the existing balances are not in accordance with the mandate of IC.

Premium liabilities
Premium liabilities is equal to the provision for unearned premiums plus the difference between the provision for unexpired risk and the provision for unearned premiums, net of deferred acquisition costs, if the provision for unexpired risk is greater than the provision for unearned premiums net of deferred acquisition costs. Otherwise, it is equal to the provision for unearned premiums.

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

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

Liability adequacy test
At each reporting date, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. The test considers current best estimates of all contractual cash flows, claims and claims handling cost. If the test shows that the liability is inadequate, the entire deficiency is recognized in profit or loss.

Unit-linked Insurance Contracts
The Company issues unit-linked insurance contracts. In addition to providing life insurance coverage, unit-linked contract links payments to units of unit-linked funds set up by the Company with the consideration received from the policyholders. As allowed by PFRS 4, the Company chose not to unbundle the investment portion of its unit-linked products.

Premiums received from the issuance of unit-linked insurance contracts are recognized as premiums revenue. Consideration received from the policyholders that are transferred to the unit-linked funds is recognized as 'Subscriptions allocated to investment in unit-linked funds' in the Company statements of comprehensive income. These are separated to fund assets from which the Company withdraws administrative and cost of insurance charges in accordance with the policy provisions of the unit-linked insurance contracts. After deduction of these charges together with applicable surrender fees, the remaining amounts in the fund assets are equal to the surrender value of the unit-linked policies and are withdrawable anytime. The assets and liabilities of the unit-linked funds have been segregated and reflected in 'Assets held to cover unit-linked liabilities' and 'Unit-linked liabilities' in the Company statements of financial position, respectively. Income or loss arising from the unit-linked funds are classified under 'Loss (gain) on assets held to cover unit-linked liabilities' in the statements of comprehensive income. Withdrawals or surrenders of unit-linked funds are presented as 'Increase (decrease) in unit-linked liabilities due to gain (loss) on assets held to cover unit-linked liabilities' in the Company statements of comprehensive income.

Investments under assets held to cover unit-linked liabilities are valued at market price. Changes in the assets held to cover unit-linked liabilities due to investment earnings or market value fluctuations result to the same corresponding change in the unit-linked liabilities. Such changes in fund value have no effect on the Company's statements of comprehensive income. As of end of the reporting period, unit-linked liabilities are computed on the basis of the number of units allocated to the policyholders multiplied by the unit price of the underlying funds.

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

Leases Commitments

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

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

Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. 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 Company and payments of penalties for terminating a lease, if the lease term reflects the 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 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. The accretion of interest is presented as 'Interest on lease liabilities' in the Company statements of comprehensive income.

Short-term leases and leases of low-value asset

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). 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.



Company as a lessor
Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Company as a lessee
At the commencement date, the Company recognizes ROU asset and lease liability for all leases, except for short-term leases and leases for which the underlying asset is of low value.

Pension Benefit Obligation
Pension cost is actuarially determined using the projected unit credit method. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes service cost, net interest cost and remeasurement cost.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

The net pension liability or asset recognized by the Company in respect of its defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The present value of the defined benefit obligation, as computed by an independent actuary, is determined using a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

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 Company nor can they be paid directly to the Company. 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). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The 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.



Equity

Capital stock

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Contributed surplus

Contributed surplus represents the original contribution of the stockholders of the Company, in addition to the paid-up capital stock, in order to comply with the pre-licensing requirements as provided under the Insurance Code and the excess of CPAIC's net assets over the par value of the issued shares upon the legal merger.

Contingency surplus

Contingency surplus represents contributions of the stockholders to cover any unexpected deficiency in the Margin of Solvency (MOS) as required under the Insurance Code and can be withdrawn upon the approval of the IC.

Retained earnings

Retained earnings represent accumulated net income of the Company less dividends declared. Retained earnings are restricted to the extent of the cost of treasury shares and aggregate value of negative reserves of traditional life insurance company.

Treasury stock

Own equity instruments which are acquired (treasury stocks) are deducted from equity and accounted for at cost. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Voting rights related to treasury stocks are nullified for the Company and no dividends are allocated to them.

Revenue Recognition

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

The Company follows a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:

a. Identify the contract(s) with a customer
b. Identify the performance obligations in the contract
c. Determine the transaction price
d. Allocate the transaction price to the performance obligation in the contract
e. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized within the scope of PFRS 15:

Asset management fees

Unit-linked funds are charged for fund management and administration. These fees are recognized as revenue in the period in which the related services are rendered.

Other income
Other income is recognized in the profit or loss as it accrues when there is reasonable degree of certainty as to its collectability. This includes administrative fees and collections of shared service cost and shared administrative expenses.

Revenues outside the scope of PFRS 15
Premium income from life insurance contracts
Gross recurring premiums from life insurance contracts are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date from which the policy becomes effective. For regular premium contracts, receivables are recorded at the date when payments are due.

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

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

Reinsurance commissions from non-life insurance contracts
Commissions earned from insurance contracts are recognized as revenue over the period of the contracts. Subsequent to initial recognition, these commissions are amortized on a straight-line basis using the 24th method over the life of the contract. Amortization is charged against profit or loss. The portion of the commissions that relate to the unexpired periods of the policies at end of the reporting period are accounted for as 'Deferred reinsurance commissions' and presented in the liabilities section of the statements of financial position.

Interest income
For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as AFS financial assets, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The change in carrying amount is recorded as interest income.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

For interest-bearing cash and cash equivalents, financial assets at FVPL, loans and receivables, and AFS investments, interest income is recognized as it accrues.

Dividend income
Dividend income is recognized when the shareholders' right to receive the payment is established.

Rental income
Rental income from investment properties is recognized on a straight-line basis over the lease term.

Fair value gains
Fair value gains include gains and losses from changes in fair value of financial assets at FVPL.

Benefits, Claims and Expenses Recognition
Life benefits, claims and expenses
Benefits and claims consist of cost of all claims and benefits incurred during the period, which includes excess benefit claims for unit-linked contracts, as well as changes in the valuation of legal policy reserves, IBNR and reserves for policyholders' dividends. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due. Ceded reinsurance recoveries are accounted for in the same period as the underlying claim.

Non-life benefits, claims and expenses
Benefits and claims consist of benefits and claims paid to policyholders, which include changes in the valuation of Insurance contract liabilities, including IBNR, except for changes in the provision for unearned premiums which are recorded in insurance revenue. The IBNR shall be calculated based on standard actuarial projection techniques or combination of such techniques, such as but not limited to the chain ladder method, the expected loss ratio approach, the Bornhuetter - Ferguson method. At each reporting date, prior year claims estimates are reassessed for adequacy and changes made are charged to provision. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered. General insurance claims are recorded on the basis of notifications received.

Interest expense
Interest expense on accumulated policyholders' dividends and premium deposit fund is recognized through profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is credited to the liability account every month.

Commission expense (life insurance contracts)
Commission expense is recognized as incurred. Commissions are paid to agents and financial executives from selling individual and group policies. Rates applied on collected premiums vary depending on the type of product and payment terms of the contract. Referral fees are also paid in relation to the referrals made through the bancassurance business.

Commission expense (non-life insurance contracts)
Commissions are recognized as expense over the period of the contracts using the 24th method. The portion of the commissions that relates to the unexpired periods of the policies at the end of the reporting period is accounted for as "Deferred acquisition cost" in the assets section of the statements of financial position.

Taxes, operating and administrative and other expenses
Taxes, operating and administrative and other expenses are recognized in the Company statements of comprehensive income as incurred.

Income Tax
Income tax for the year consists of current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income. Tax on these items is recognized in equity or other comprehensive income. The Company periodically evaluates positions



taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

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 this amount are those that are enacted or substantively enacted as of the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from excess MCIT and 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 sufficient 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 all or part of the deferred tax assets to be recovered.

Current tax and deferred tax relating to items recognized directly in other comprehensive income are likewise recognized in other comprehensive income.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as of end of the reporting period. Movements in the deferred tax assets and liabilities arising from changes in the rates are charged or credited to profit or loss for the period.

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

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies
Contingent liabilities are not recognized in the 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 Company financial statements but are disclosed when an inflow of economic benefits is probable.

In cases where disclosure of some or all of the information relating to the provisions, contingent assets and contingent liabilities can be expected to prejudice the position of the Company, the Company discusses only general information regarding the nature of the provision, contingent assets or contingent liabilities, as allowed by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Events after the Reporting Date

Post period-end events that provide additional information about the Company's financial position at the end of the reporting date (adjusting events) are reflected in the Company financial statements. Post period-end events that are not adjusting events, if any, are disclosed when material to the Company financial statements.

Standards Issued but not yet Effective

'Pronouncements issued but not yet effective are listed below. The 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 Company's 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 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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



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

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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with full retrospective application from the transition date is required. The transition date is the beginning of the annual reporting period immediately preceding the date of initial application. If it is impracticable to apply PFRS 17 retrospectively for a group of insurance contracts, the Company must apply either the modified retrospective approach or the fair value approach. Early application is permitted. Early application is permitted.

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

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

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

For the year ended December 31, 2025, the Company performed parallel reporting which allowed for the analysis of results based on both current and future reporting requirements.

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

The Company applies the exemption from applying PFRS 9 as permitted by the amendments to PFRS 4 *Applying PFRS 9 Financial Instruments with PFRS 4, Insurance Contracts* issued in September 2016. The temporary exemption permits the Company to continue applying PAS 39 rather than PFRS 9 for annual periods beginning before January 1, 2022. The Company concluded that it qualified for the temporary exemption from PFRS 9 because its activities are



predominantly connected with insurance. As at December 31, 2015, the Company's gross liabilities arising from contracts within the scope of PFRS 4 represented 98% of the total carrying amount of all its liabilities. Since December 31, 2015, there has been no change in the activities of the Company that requires reassessment of the use of the temporary exemption.

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

3. Significant Accounting Judgments and Estimates

The preparation of the Company financial statements in accordance with PFRS Accounting Standards requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimate are reflected in the 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 Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Company financial statements:

Product classification
The Company has determined that the life (traditional and unit-linked) and non-life insurance policies have significant insurance risks and therefore meet the definition of insurance contracts and should be accounted for as such.

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

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

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

Contingencies
The Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsels handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the Company's financial position. It is possible, however, that the results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Uncertainties over income tax payments
The Company applies significant judgement in identifying uncertainties over income tax treatments.

Since the Company operates in a highly regulated environment, it assessed whether the Interpretation had an impact on its financial statements.

The Company applies significant judgment whether it is probable that a particular uncertain income tax treatment will be acceptable to the taxation authority. The Company considers the following:

- Past experience related to similar tax treatments
- Legal advice or case law related to other entities
- Practice guidelines published by the taxation authority that are applicable to the case

The Company reassesses the judgement if the facts and circumstances on which the judgement was based change or as a result of new information that affects the judgement.

Estimates
The key assumptions concerning the future and other 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.

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

The Company's lease liabilities amounted to ₱301.19 million and ₱458.13 million as of December 31, 2025 and 2024, respectively (see Note 29).

Valuation of legal policy reserves for life insurance contracts
In determining the legal policy reserves, estimates are made as to the expected number of deaths, illness or injury for each of the years in which the Company is exposed to risk. These estimates are based on standard mortality and morbidity tables as required by the Code. The estimated number of deaths, illness or injury determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums. Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments.

In accordance with the provisions of the Code, estimates for future deaths, illness or injury and investment returns are determined at the inception of the contract and are used to calculate the liability over the term of the contract. Discount rate assumptions are based on current observed rates in the market and consistent with the discount rates published by IC. The key assumptions used in the valuation of legal policy reserves are detailed in Note 17.

The carrying values of legal policy reserves net of recoverable from reinsurers, shown as part of insurance contract liabilities, amounted to ₱13.18 billion and ₱11.50 billion as of December 31, 2025 and 2024, respectively (see Note 16).

Claims liability arising from non-life insurance contracts
For nonlife insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of the IBNR claims at the reporting date. It can take a significant period of time before the ultimate claim costs can be established with certainty and for some type of policies, IBNR claims form the majority of the statements of financial position claims provision.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

The carrying values of provision for outstanding claims and IBNR net of recoverable from reinsurers amounted to ₱1.37 billion and ₱1.59 billion as of December 31, 2025 and 2024, respectively (see Note 16).

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

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

In addition to specific allowance against individually significant insurance receivables and loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted.

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

As of December 31, 2025 and 2024, the allowance for credit and impairment losses on insurance receivables amounted to ₱341.42 million and ₱263.00 million, respectively (see Note 6). As of December 31, 2025 and 2024, the allowance for credit and impairment losses on loans and receivables amounted to ₱19.74 million and ₱27.21 million, respectively (see Note 7).

Impairment of AFS financial assets
The Company treats AFS equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Company treats 'significant' generally as 20% or more and 'prolonged' as greater than 12 months for quoted equity investments.

In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities. Impairment may be appropriate also when there is evidence of deterioration in the financial health of the investee, the industry and sector performance, changes in technology and operational and financing cash flows.

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

As of December 31, 2025 and 2024, the carrying value of AFS equity investments amounted to ₱176.62 million and ₱197.68 million, respectively (see Note 7).

As of December 31, 2025 and 2024, the Company recognized impairment losses on its AFS financial assets amounting to ₱21.41 million and ₱22.82 million, respectively (see Note 21).

Impairment of non-financial assets
The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amounts of assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is computed using the value in use approach. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

The non-financial assets of the Company are composed of its property and equipment, assets held-for-sale, intangible assets, and right-of-use assets. The carrying value of the non-financial assets as of December 31, 2025 and 2024 are as follows:

	Notes	**2025**	2024
Property and equipment - net	12	**₱353,897,438**	₱367,650,232
Assets held-for-sale	13	**73,286,376**	37,803,000
Intangible assets - net	14	**389,136,112**	371,364,095
Right-of-use assets - net	29	**272,529,481**	425,781,240

As of December 31, 2025 and 2024, the Company did not recognize any impairment losses on its property and equipment, assets held-for-sale, intangible assets and right-of-use assets.

Impairment of goodwill
The Company performed impairment assessment for its goodwill by computing for the recoverable amount of General insurance business' cash generating unit (CGU) and comparing it to the carrying value of the investment. The recoverable amount was based on value-in-use calculations using cash flow projections from financial budgets approved by management covering six years.

The projections are most sensitive to the following assumptions:

	2025	2024
Long term growth rate	**8.36%**	9.59%
Discount rate	**12.88%**	12.00%
Premium growth rate	**12.80-13.10%**	12.20-14.00%
Gross claims ratio	**37.54-39.53%**	36.71-41.67%

Management considered in its projections long term growth rate based on internal forecast of gross domestic product from 2030 and beyond. Gross premiums to post continuous growth as an effect of strengthened focus on producing new business as well as improvement in renewals primarily in retail lines of business (i.e. motor, personal accident, residential property) while maintaining an acceptable commercial sales portfolio to balance the risk of incurring losses. The management has commenced these plans in 2025 and expects to materially improve in the outyears.

Discount rate assumptions derived from the average of (1) financial metrics of offshore nonlife companies of countries (i.e., India, Indonesia) with comparable economic scales and (2) internal local yearend forecast with implied spread constituting the risk of nonlife companies. Acceptable gross claims ratios and reinsurance costs in relation to improving product mixes parallel with strategic shift to focus on retail business.

Management has determined that goodwill is not impaired. The carrying amount of goodwill amounted to ₱1.15 billion as of December 31, 2025 and 2024, respectively (see Note 4).

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization. Periodic reviews cover the nature and amount of deferred income and expense items, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

The Company recognized deferred tax assets - net amounting to ₱436.24 million and ₱612.31 million as of December 31, 2025 and 2024, respectively, as the Company believes sufficient taxable income will allow these deferred tax assets to be utilized (see Note 26).

Pension and other employee benefits
The determination of pension obligation and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rate, expected return on plan assets, salary increase rate, mortality rate, disability rate and turnover rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

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

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension obligation. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected term of the defined benefit obligation as of reporting date. The mortality rate is based on publicly available mortality tables in the Philippines. Future salary increases are based on expected future inflation rates. Refer to Note 25 for the details of assumptions used in the calculation.

The carrying value of net pension liabilities as of December 31, 2025 and 2024 amounted to ₱123.93 million and ₱188.15 million, respectively (see Note 25).

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

4. Goodwill

Business Combination
On April 4, 2016, the Company acquired 5,124,975 shares of stock of CPAIC amounting to ₱2.10 billion representing 100% of its total number of shares.

The acquisition resulted in goodwill computed as follows:

Cash consideration paid	₱2,101,960,000
Fair value of net identifiable assets	(951,696,005)
Goodwill	₱1,150,263,995

The goodwill in relation to acquisition has been attributed to CPAIC's cash generating unit (CGU).

Regarding the assessment of the value-in-use, management believes the assumptions used such as premiums growth in line with the focus on winning new business and renewals, discount rate derived from smoothened financial metrics of nonlife in companies with comparable economies and improvement of loss ratios to be driven by shift in profitable product mixes would not cause the carrying value of the CGU to exceed its recoverable amount (see Note 3). The carrying value of goodwill amounted to ₱1.15b as of December 31, 2025 and 2024, respectively. No impairment loss was recognized in 2025 and 2024.

5. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	**₱426,000**	₱485,000
Cash in banks	**1,712,639,750**	1,966,037,164
Cash equivalents	**7,896,201,914**	5,790,573,218
	₱9,609,267,664	₱7,757,095,382

Cash in banks earn interest at the prevailing bank deposit rates that ranged from 0.05% to 0.75% and 0.05% to 0.75% in 2025 and 2024, respectively. Cash equivalents are made for varying periods not exceeding three months depending on the immediate cash requirements of the Company and earned interest at the prevailing short-term deposit rates that ranged from 3.50% to 5.13% and 3.35% to 6.53% in 2025 and 2024, respectively.

Interest income from cash and cash equivalents amounted to ₱314.73 million and ₱345.14 million in 2025 and 2024, respectively (see Note 22). Interest receivable as of December 31, 2025 and 2024 amounted to ₱18.25 million and ₱18.72 million, respectively (see Note 10).

6. Insurance Receivables

This account consists of:

	2025	2024
Premiums due and uncollected (Note 28)	**₱1,483,795,431**	₱1,128,113,870
Due from reinsurers	**859,631,961**	419,350,488
Reinsurance recoverable on paid losses	**738,417,737**	392,292,384
Bonds recoverable on paid losses	**28,149,702**	28,149,702
Funds held by ceding companies	**20,275,084**	18,404,208
	3,130,269,915	1,986,310,652
Less allowance for credit and impairment losses	**341,421,971**	263,000,199
	₱2,788,847,944	₱1,723,310,453

Premiums due and uncollected pertain to premiums receivable from policyholders and intermediaries for both life and non-life business that are due within the grace period.

Due from reinsurers are premiums receivable for assumed business from other insurance and reinsurance companies while reinsurance recoverable on paid losses are the share of insurance or reinsurance companies for the claims paid to the insured by the Company.

Bonds recoverable on paid losses represent the estimated recoveries the Company may have from losses on bond policies issued.

The amount of funds held by ceding companies is a percentage of the premiums due within one year from date of retention being held by ceding companies.

The following table shows aging information of insurance receivables:

	2025					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Premiums due and uncollected	**₱896,172,622**	**₱278,507,370**	**₱94,425,951**	**₱56,666,738**	**₱158,022,750**	**₱1,483,795,431**
Due from reinsurers	**71,885,011**	**63,053,162**	**144,720,875**	**145,101,924**	**434,870,989**	**859,631,961**
Reinsurance recoverable on paid losses	**504,263,344**	**1,926,450**	**2,649,333**	**3,416,274**	**226,162,336**	**738,417,737**
Bonds recoverable on paid losses	**–**	**–**	**–**	**–**	**28,149,702**	**28,149,702**
Funds held by ceding companies	**20,275,084**	**–**	**–**	**–**	**–**	**20,275,084**
	₱1,492,596,061	**₱343,486,982**	**₱241,796,159**	**₱205,184,936**	**₱847,205,777**	**₱3,130,269,915**

	2024					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Premiums due and uncollected	₱753,235,494	₱164,924,356	₱70,587,453	₱39,582,929	₱99,783,638	₱1,128,113,870
Due from reinsurers	40,031,512	88,127,213	68,940,715	36,731,051	185,519,997	419,350,488
Reinsurance recoverable on paid losses	149,247,937	108,226	4,143,422	424,684	238,368,115	392,292,384
Bonds recoverable on paid losses	–	–	–	–	28,149,702	28,149,702
Funds held by ceding companies	18,404,208	–	–	–	–	18,404,208
	₱960,919,151	₱253,159,795	₱143,671,590	₱76,738,664	₱551,821,452	₱1,986,310,652

The following is a reconciliation of the changes in allowance for doubtful accounts for insurance receivables:

	2025				
	Premiums due and uncollected	**Reinsurance recoverable on paid losses**	**Due from reinsurers**	**Bonds recoverable on paid losses**	**Total**
At January 1, 2025	**₱82,218,913**	**₱148,705,627**	**₱3,925,957**	**₱28,149,702**	**₱263,000,199**
Impairment during the period	**45,134,884**	**33,286,888**	**–**	**–**	**78,421,772**
At December 31, 2025	**₱127,353,797**	**₱181,992,515**	**₱3,925,957**	**₱28,149,702**	**₱341,421,971**
Individual impairment	**₱16,040,214**	**₱181,992,515**	**₱3,925,957**	**₱28,149,702**	**₱230,108,388**
Collective impairment	**111,313,583**	**–**	**–**	**–**	**111,313,583**
	₱127,353,797	**₱181,992,515**	**₱3,925,957**	**₱28,149,702**	**₱341,421,971**

	2024				
	Premiums due and uncollected	Reinsurance recoverable on paid losses	Due from reinsurers	Bonds recoverable on paid losses	Total
At January 1, 2024	₱203,406,932	₱137,144,690	₱3,925,957	₱28,149,702	₱372,627,281
Impairment (Reversal) during the period	(121,188,019)	11,560,937	–	–	(109,627,082)
At December 31, 2024	₱82,218,913	₱148,705,627	₱3,925,957	₱28,149,702	₱263,000,199
Individual impairment	₱14,904,456	₱148,705,627	₱3,925,957	₱28,149,702	₱195,685,742
Collective impairment	67,314,457	–	–	–	67,314,457
	₱82,218,913	₱148,705,627	₱3,925,957	₱28,149,702	₱263,000,199

7. Financial Assets

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

	2025	2024
Financial assets at FVPL	**₱2,093,774,792**	₱1,770,038,458
AFS financial assets	**27,651,910,656**	25,113,238,409
Loans and receivables - net	**1,121,514,448**	1,186,853,919
	₱30,867,199,896	₱28,070,130,786

As of December 31, 2025 and 2024, the financial assets at FVPL are designated by management as at FVPL on initial recognition.

The assets included in each of the categories above are detailed below:

Financial assets at FVPL

	Note	**2025**	2024
Listed equity securities		**₱858,504,230**	₱1,208,139,131
Investment in unit-linked funds	15	**453,523,795**	382,497,740
Unit investment trust funds		**705,704,716**	102,690,824
Government debt securities		**76,042,051**	76,710,763
		₱2,093,774,792	₱1,770,038,458

Dividend income from listed equity securities classified by the Company as financial assets at FVPL amounted to ₱32.75 million and ₱38.05 million in 2025 and 2024, respectively included under "Investment income" (see Note 22). As of December 31, 2025 and 2024, dividend receivable amounted to ₱0.67 million and ₱1.30 million, respectively (see Note 10).

Investment in unit investment trust funds (UITFs) classified as financial assets at FVPL are ready-made investments that allow the pooling of funds from different investors with similar investment objectives. These funds are managed by professional fund managers and are invested in various financial instruments such as money market securities, bonds and equities, which are normally available to bigger investors only. As of December 31, 2025, the Company owns 323,224,682 outstanding number of units with cost and net asset value of ₱586.60 million and ₱705.70 million, respectively. As of December 31, 2024, 66,346,747 outstanding number of units with cost and net asset value of ₱86.55 million and ₱102.69 million, respectively.

Investments in government debt securities classified as financial assets at FVPL bear interest ranging from 8.50% to 10.25% in both 2025 and 2024. As of December 31, 2025 and 2024, interest receivable on financial assets at FVPL amounted to ₱2.46 million and ₱0.98 million, respectively (see Note 10). Interest income classified by the Company as FVPL amounted to ₱6.30 million in both 2025 and 2024 (see Note 22).

AFS financial assets

	2025	2024
Government debt securities		
Local currency	**₱25,690,694,568**	₱23,097,365,775
Foreign currency	**5,905,120**	5,825,167
Corporate debt securities	**1,778,688,685**	1,812,371,329
Equity securities		
Listed	**158,865,633**	180,119,488
Unquoted	**56,650**	56,650
Golf club shares	**17,700,000**	17,500,000
	₱27,651,910,656	₱25,113,238,409

Investments in government and corporate debt securities classified as AFS financial assets bear interest ranging from 3.60% to 9.50% in 2025 and from 2.63% to 18.25% in 2024.

Interest income from corporate and government debt securities classified by the Company as AFS financial assets amounted to ₱1.62 billion and ₱1.36 billion in 2025 and 2024, respectively (see Note 22). Interest receivable as of December 31, 2025 and 2024 amounted to ₱402.22 million and ₱343.04 million, respectively (see Note 10).

Dividend income from listed equity securities classified by the Company as financial assets at AFS financial assets amounted to ₱4.79 million and ₱4.53 million in 2025 and 2024, respectively included under "Investment income" (see Note 22). As of December 31, 2025 and 2024, dividend receivable amounted to ₱0.05 million and ₱0.09 million, respectively (see Note 10).

The carrying values of financial assets at FVPL and AFS financial assets have been determined as follows:

	Financial Assets at FVPL	**AFS Financial Assets**	**Total**
At January 1, 2025	**₱1,770,038,458**	**₱ 25,113,238,409**	**₱26,883,276,867**
Additions	**619,343,228**	**5,376,296,043**	**5,995,639,271**
Disposals/maturities	**(195,018,643)**	**(2,823,126,974)**	**(3,018,145,617)**
Fair value gains	**(119,502,897)**	**78,771,450**	**(40,731,447)**
Foreign exchange gains	**18,914,646**	**(265,528)**	**18,649,118**
Amortization of premium	**–**	**(71,595,552)**	**(71,595,552)**
Impairment loss from AFS financial assets	**–**	**(21,407,192)**	**(21,407,192)**
At December 31, 2025	**₱2,093,774,792**	**₱27,651,910,656**	**₱29,745,685,448**

	Financial Assets at FVPL	AFS Financial Assets	Total
At January 1, 2024	₱1,896,277,849	₱20,361,875,006	₱22,258,152,855
Additions	44,855,751	7,114,001,765	7,158,857,516
Disposals/maturities	(168,011,458)	(2,301,040,380)	(2,469,051,838)
Fair value gains	(4,695,145)	56,573,180	51,878,035
Foreign exchange gains	1,611,461	1,715,474	3,326,935
Amortization of premium	–	(97,070,006)	(97,070,006)
Impairment loss from AFS financial assets	–	(22,816,630)	(22,816,630)
At December 31, 2024	₱1,770,038,458	₱25,113,238,409	₱26,883,276,867

As of December 31, 2025, government securities classified under AFS financial assets totaling to ₱369.60 million and ₱375.00 million for life and non-life, respectively, are deposited with the IC in accordance with the provisions of the Code as security for the benefit of policyholders and creditors of the Company.

As of December 31, 2024, government securities classified under AFS financial assets totaling to ₱359.00 million and ₱340.00 million for life and non-life, respectively, are deposited with the IC.

Loans and receivables

	Notes	**2025**	2024
Policy loans		**₱510,349,733**	₱459,545,380
Intercompany receivables	15, 28	**270,109,629**	284,649,004
Due from unit-linked funds	15	**188,652,488**	296,008,088
Due from officers and employees		**146,067,436**	125,625,148
Due from agents		**19,687,410**	37,205,278
Other receivables		**6,389,510**	11,030,885
		1,141,256,206	1,214,063,783
Less allowance for credit and impairment losses		**19,741,758**	27,209,864
		₱1,121,514,448	₱1,186,853,919

Policy loans pertain to loans granted to policyholders. The loan is granted with the cash surrender value of the policyholder's insurance policy as collateral. Interest rates on dollar and peso policy loans are granted 7.00% and 9.00% both in 2025 and 2024.

Due from unit-linked funds pertains to redemptions of units held by policyholders from unit-linked investments advanced by the Company. These are due and collected within one to two days from the unit-linked funds through the fund custodian (see Note 15).

Intercompany receivables significantly pertain to uncollected portion of asset management fees from MBTC.

Due from officers and employees include secured interest-bearing loans pertaining to salary loans, and other unsecured non-interest-bearing loans and advances granted to the Company's officers and employees. The interest rate on interest-bearing loans is 8.00% in both 2025 and 2024. The Company's loans to officers and employees are evidenced by promissory note.

Due from agents are interest bearing accounts which pertain to receivable owed by certain agents that are due within one year. Interest rates on interest-bearing loans is at 12.00% both in 2025 and 2024, and are evidenced by promissory note.

Other receivables are non-interest-bearing accounts which pertain to receivables owed by employees other than those covered in due from officers and employees account, such as payroll adjustments, cash advances and SSS loans, which are due within one year.

Interest income from loans and receivables amounted to ₱55.38 million and ₱49.57 million in 2025 and 2024, respectively (see Note 22). As of December 31, 2025 and 2024, interest receivable from loans and receivable amounted to ₱20.71 million and ₱18.64 million, respectively (see Note 10).

The rollforward of the changes in the allowance for credit and impairment losses on loans and receivables follows:

	Notes	Due from Officers and Employees	Due from Agents	Other Receivables	Total
At January 1, 2024		₱24,729,383	₱1,765,534	₱1,316,934	₱27,811,851
Provision for credit and impairment losses	24	(660,674)	–	58,687	(601,987)
At December 31, 2024		24,068,709	1,765,534	1,375,621	27,209,864
Provision for (reversal of) credit and impairment losses	24	**2,743,083**	**–**	**120,314**	**2,863,397**
Adjustments		**(10,331,503)**	**–**	**–**	**(10,331,503)**
At December 31, 2025		**16,480,289**	**1,765,534**	**1,495,935**	**19,741,758**
Specific allowance		**₱16,480,289**	**₱1,765,534**	**₱1,495,935**	**₱19,741,758**

8. Reinsurance Assets

This account consists of:

	Note	2025	2024
Reinsurance recoverable on unpaid losses		**₱1,141,929,450**	₱1,732,156,198
Less allowance for credit and impairment losses		**180,087,532**	206,760,612
Reinsurance recoverable on unpaid losses - net	16	**961,841,918**	1,525,395,586
Reinsurance share on IBNR	16	**1,077,344,634**	859,073,322
Deferred reinsurance premiums	16	**151,700,984**	336,553,904
Reinsurance share on legal policy reserves	16	**313,400,979**	310,316,183
		₱2,504,288,515	₱3,031,338,995

The reconciliation of changes in allowance for credit and impairment losses on reinsurance assets are as follows:

	2025	2024
At January 1	**₱206,760,612**	₱171,844,016
Provision for (reversal of) impairment and credit losses	**(26,673,080)**	34,916,596
At December 31	**₱180,087,532**	₱206,760,612

9. Deferred Acquisition Costs and Deferred Reinsurance Commissions

Deferred Acquisition Costs

The rollforward analyses of this account follows:

	2025		
	Commission expense from non-life insurance contracts	**Other acquisition costs**	**Total**
At January 1, 2025	**₱256,115,025**	**₱–**	**₱256,115,025**
Costs deferred during the year	**800,830,393**	**225,944,301**	**1,026,774,694**
Amortization during the year	**(735,522,907)**	**(117,304,194)**	**(852,827,101)**
At December 31, 2025	**₱321,422,511**	**₱108,640,107**	**₱430,062,618**

	2024		
	Commission expense from non-life insurance contracts	Other acquisition costs	Total
At January 1, 2024	₱210,198,812	₱4,379	₱210,203,191
Costs deferred during the year	642,736,740	–	642,736,740
Amortization during the year	(596,820,527)	(4,379)	(596,824,906)
At December 31, 2024	₱256,115,025	₱–	₱256,115,025

Other acquisition costs pertain to underwriting expenses, other than commissions, incurred during the financial period that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts.

Deferred Reinsurance Commissions

The rollforward analyses of this account follow:

	2025	2024
Balance at beginning of year	**₱67,491,412**	₱45,434,277
Income deferred during the year	**108,814,754**	151,722,154
Amortization during the year	**(144,917,829)**	(129,665,019)
Balance at end of year	**₱31,388,337**	₱67,491,412

10. Accrued Income

This account consists of:

	Notes	**2025**	2024
Interest receivable on:			
AFS financial assets	7	**₱402,221,622**	₱343,038,898
Loans and receivables	7	**20,711,707**	18,641,459
Cash and cash equivalents	5	**18,254,347**	18,715,553
Financial assets at FVPL	7	**2,463,448**	984,222
Dividends receivable	7	**722,589**	1,393,973
		₱444,373,713	₱382,774,105

11. Investment Properties

The cost and accumulated depreciation of residential and condominium units is ₱16.29 million as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the carrying value of the investment properties is nil for both years.

As of December 31, 2025 and 2024, the investment properties have a total fair value of ₱17.57 million and ₱13.00 million, respectively. The values were arrived using the market approach. This approach requires establishing of comparable property by reducing reasonable comparative sales and offerings to a common denominator. This is done by adjusting the differences between the property and those sales and listings regarded as comparable. The fair values of the properties are based on valuations performed by Colliers International Philippines, Inc., an accredited independent appraiser, on October 20, 2025. Colliers International Philippines, Inc. is a specialist in valuing these types of investment properties.

Description of valuation techniques used and key inputs to valuation on investment properties as of December 31, 2025 and 2024 follow:

2025			
Valuation techniques	**Level**	**Significant unobservable inputs**	**Range**
Market Approach	**3**	**Estimated Computed Value per square meter**	**₱109,000 per square meter**

2024			
Valuation techniques	Level	Significant unobservable inputs	Range
Market Approach	3	Estimated Computed Value per square meter	₱88,000 per square meter

The Company has determined that the highest and best use of its investment properties is for commercial utilization. The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Rental income amounted to ₱1.53 million in both 2025 and 2024 (see Note 22). In 2025 and 2024, there are no direct operating expenses incurred in relation to the Company's investment properties.

12. Property and Equipment

The rollforward analyses of this account follow:

	2025					
	Building	**Leasehold Improvements**	**Transportation Equipment**	**Computer Equipment**	**Furniture and Equipment**	**Total**
Cost						
At January 1	**₱121,719,277**	**₱1,001,570,309**	**₱45,346,477**	**₱1,252,662,426**	**₱212,749,024**	**₱2,634,047,513**
Additions	**–**	**54,166,077**	**1,914,000**	**92,180,058**	**11,179,572**	**159,439,707**
Disposal	**–**	**(3,680,736)**	**(7,783,860)**	**(23,244,864)**	**(2,042,351)**	**(36,751,811)**
At December 31	**121,719,277**	**1,052,055,650**	**39,476,617**	**1,321,597,620**	**221,886,245**	**2,756,735,409**
Accumulated Depreciation						
At January 1	**₱112,179,242**	**₱839,955,235**	**₱38,570,235**	**₱1,097,690,656**	**₱178,001,913**	**₱2,266,397,281**
Depreciation (Note 24)	**1,339,879**	**73,320,889**	**1,371,906**	**78,523,235**	**16,391,182**	**170,947,091**
Disposal	**–**	**(3,680,736)**	**(6,582,638)**	**(22,206,363)**	**(2,036,664)**	**(34,506,401)**
At December 31	**113,519,121**	**909,595,388**	**33,359,503**	**1,154,007,528**	**192,356,431**	**2,402,837,971**
Net Book Value	**₱8,200,156**	**₱142,460,262**	**₱6,117,114**	**₱167,590,092**	**₱29,529,814**	**₱353,897,438**

	2024					
	Building	Leasehold Improvements	Transportation Equipment	Computer Equipment	Furniture and Equipment	Total
Cost						
At January 1	₱121,719,277	₱962,598,498	₱39,443,946	₱1,184,307,133	₱199,614,475	₱2,507,683,329
Additions	–	49,004,132	5,902,531	68,549,814	13,185,349	136,641,826
Disposal	–	(10,032,321)	–	(194,521)	(50,800)	(10,277,642)
At December 31	121,719,277	1,001,570,309	45,346,477	1,252,662,426	212,749,024	2,634,047,513
Accumulated Depreciation						
At January 1	₱110,839,362	₱760,296,607	₱37,286,774	₱1,004,009,374	₱157,143,248	₱2,069,575,365
Depreciation (Note 24)	1,339,880	89,690,949	1,283,461	93,875,803	20,909,465	207,099,558
Disposal	–	(10,032,321)	–	(194,521)	(50,800)	(10,277,642)
At December 31	112,179,242	839,955,235	38,570,235	1,097,690,656	178,001,913	2,266,397,281
Net Book Value	₱9,540,035	₱161,615,074	₱6,776,242	₱154,971,770	₱34,747,111	₱367,650,232

The cost of fully depreciated property and equipment still being used amounted to ₱2.40 billion and ₱1.65 billion as of December 31, 2025 and 2024, respectively.

Gain on sale of property and equipment amounted to ₱4.24 million and nil in 2025 and 2024, respectively.

Breakdown of the depreciation and amortization expense pertaining to the Company's property and equipment, intangible assets, and right-of-use assets is shown below:

	Notes	**2025**	2024
Property and equipment		**₱170,947,091**	₱207,099,558
Intangible assets	14	**128,747,829**	55,278,723
Right-of-use assets	29	**199,971,274**	207,662,144
		₱499,666,194	₱470,040,425

13. Assets Held-for-Sale

Assets held-for-sale pertain to salvage recoverable which consists of amount recoverable on account of losses on direct business. These recoveries are available for immediate sale in its present condition and its sale are highly probable. In 2025, management is committed to a plan to sell the assets and is actively locating for buyers.

Salvage recoverable amounted to ₱73.29 million and ₱37.80 million as of December 31, 2025 and 2024, respectively.

14. Intangible Assets

The rollforward analyses for this account follow:

	Note	**2025**	2024
Cost			
At January 1		**₱569,494,090**	₱380,663,703
Additions		**146,519,846**	188,830,387
At December 31		**716,013,936**	569,494,090

(*Forward*)

	Note	**2025**	2024
Accumulated Amortization			
At January 1		**₱198,129,995**	₱142,851,272
Amortization	12	**128,747,829**	55,278,723
At December 31		**326,877,824**	198,129,995
Net Book Value		**₱389,136,112**	₱371,364,095

Intangible assets pertain to computer software purchased from third parties and internally-generated software.

15. Assets Held to Cover Unit-Linked Liabilities / Unit-Linked Liabilities

Assets held to cover unit-linked liabilities consist of:

	Notes	**2025**	2024
Net asset values of the unit-linked funds		**₱148,559,744,287**	₱141,477,008,381
Subscriptions subsequently transferred to unit-linked funds	19	**164,909,479**	148,484,246
Investment in unit-linked funds under financial assets at FVPL	7	**(453,523,795)**	(382,497,740)
		₱148,271,129,971	₱141,242,994,887

The Company is entitled to an asset management fee equivalent to 0.30% to 2.35% per annum in 2025 and 2024, based on the net asset value of the unit-linked funds. The Company's Asset management fees' from unit-linked funds amounted to ₱2.68 billion and ₱2.73 billion for the years ended December 31, 2025 and 2024, respectively. Asset management fees receivable from MBTC included in 'Intercompany receivables' under 'Loans and receivables' amounted to ₱268.26 million and ₱263.43 million as of December 31, 2025 and 2024, respectively (see Note 7).

Investment in unit-linked funds under financial assets at FVPL pertains to the seed capital invested by the Company. The unit-linked funds' net assets consist of:

	2025	2024
Assets		
Cash and cash equivalents		
Cash in banks	**₱1,355,745,406**	₱1,030,857,412
Cash equivalents	**78,520,654**	212,381,707
Financial assets at FVPL		
Debt securities	**8,661,480,917**	9,037,627,291
Equity securities	**35,149,266,365**	45,680,064,023
Exchange-traded funds	**88,111,634,947**	71,041,251,899
Unit investment trust funds	**10,855,475,964**	11,664,916,671
Real estate investment trust	**4,823,043,134**	3,058,586,510
Investment income due and accrued	**140,196,202**	147,947,004
Accounts receivable	**108,898,883**	356,105,692
	149,284,262,472	142,229,738,209
Liabilities		
Accounts payable	**306,975,435**	343,865,316
Accrued expense	**417,542,750**	408,864,512
	724,518,185	752,729,828
	₱148,559,744,287	₱141,477,008,381

2025	1 Global Advantage Fund (GAF)	2 Peso Global Advantage Fund (PGAF)	3 Chinese Tycoon Fund (CEQY)	4 Wealth Equity Fund (EQTY)	5 Wealth Balanced Fund (BALF)	6 Peso Global Assets Income Paying Fund (PGAIPF)	7 Opportunity Fund (OPPT)	8 Dollar Global Assets Income Paying Fund (DGAIPF)	9 Growth Dynamic Allocation Fund (GDAF)	10 Premium Bond Fund (APPB)
Assets										
Cash and cash equivalents										
Cash in banks	**₱360,011,088**	**₱270,552,016**	**₱45,492,140**	**₱13,172,673**	**₱25,691,310**	**₱53,243,253**	**₱6,138,294**	**₱67,936,883**	**₱21,424,904**	**₱587,911**
Cash equivalents	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47,273,686**
Financial assets at FVPL										
Debt securities	**–**	**–**	**–**	**–**	**3,425,254,210**	**–**	**–**	**–**	**–**	**2,913,547,321**
Equity securities	**–**	**–**	**15,346,477,424**	**10,363,372,334**	**2,617,732,251**	**–**	**4,814,148,507**	**–**	**–**	**–**
Exchange-traded funds	**42,338,205,657**	**26,402,476,328**	**–**	**–**	**–**	**5,128,008,350**	**–**	**4,371,616,025**	**–**	**–**
Unit investment trust	**–**	**–**	**312,504,225**	**243,566,060**	**70,496,273**	**–**	**88,124,511**	**–**	**4,089,852,904**	**50,902,151**
Real estate investment trust	**–**	**–**	**121,962,546**	**424,768,178**	**54,657,750**	**–**	**235,532,662**	**–**	**–**	**–**
Investment income due and accrued	**6,300**	**–**	**632,343**	**3,319,328**	**46,951,107**	**454**	**–**	**1,058**	**–**	**55,037,909**
Accounts receivable	**6,522,475**	**1**	**31,974,060**	**354,232**	**1,079,728**	**20,072,399**	**197,565**	**–**	**3,808,860**	**166,391**
	42,704,745,520	**26,673,028,345**	**15,859,042,738**	**11,048,552,805**	**6,241,862,629**	**5,201,324,456**	**5,144,141,539**	**4,439,553,966**	**4,115,086,668**	**3,067,515,369**
Liabilities										
Accounts payable	**101,135,438**	**5,612,290**	**50,341,080**	**27,389,516**	**12,418,970**	**20,643,090**	**12,660,793**	**20,266,838**	**5,629,705**	**2,638,614**
Accrued expense	**105,096,911**	**86,694,123**	**56,949,652**	**24,603,231**	**15,033,958**	**8,533,332**	**13,826,591**	**7,300,820**	**8,226,026**	**28,424,115**
	206,232,349	**92,306,413**	**107,290,732**	**51,992,747**	**27,452,928**	**29,176,422**	**26,487,384**	**27,567,658**	**13,855,731**	**31,062,729**
	₱42,498,513,171	**₱26,580,721,932**	**₱15,751,752,006**	**₱10,996,560,058**	**₱6,214,409,701**	**₱5,172,148,034**	**₱5,117,654,155**	**₱4,411,986,308**	**₱4,101,230,937**	**₱3,036,452,640**

2025	11 Dollar AXA Global Equity Income Paying Fund (DGSIPF)	12 Peso AXA Global Equity Income Paying Fund (PGSIPF)	13 Peso Reit Assets Income Paying Fund (PIPF)	14 Peso Edge Equity Fund (PGTAF)	15 Multi Asset Dynamic Allocation Fund (MDAF)	16 Peso Growth Dynamic Allocation Fund (PGDAF)	17 Equity Fund (RS EQ)	18 Wealth Bond Fund (BOND)	19 Dollar Reit Assets Income Paying Fund (DIPF)	20 Dollar Edge Equity Fund (DGTAF)
Assets										
Cash and cash equivalents										
Cash in banks	**₱ 130,938,115**	**₱95,014,325**	**₱45,272,802**	**₱37,093,347**	**₱1,321,593**	**₱42,810,291**	**₱1,870,537**	**₱1,390,733**	**₱25,069,314**	**30,684,765**
Cash equivalents	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**8,500,000**	**–**	**–**
Financial assets at FVPL										
Debt securities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,459,438,164**	**–**	**–**
Equity securities	**–**	**–**	**–**	**–**	**–**	**–**	**1,511,806,562**	**–**	**–**	**–**
Exchange-traded funds	**2,907,694,211**	**2,943,100,820**	**–**	**1,660,988,956**	**–**	**–**	**–**	**–**	**–**	**1,288,285,938**
Unit investment trust	**–**	**–**	**–**	**–**	**1,599,839,747**	**1,562,267,595**	**–**	**20,452,196**	**–**	**–**
Real Estate Investment trust	**–**	**–**	**2,517,338,509**	**–**	**–**	**–**	**–**	**–**	**1,427,053,939**	**–**
Investment income due and accrued	**2,906**	**127**	**–**	**–**	**–**	**–**	**710,289**	**19,570,372**	**554**	**679**
Accounts receivable	**–**	**–**	**4**	**–**	**14,534,037**	**781,841**	**4,003,496**	**297,192**	**–**	**–**
	3,038,635,232	**3,038,115,272**	**2,562,611,315**	**1,698,082,303**	**1,615,695,377**	**1,605,859,727**	**1,518,390,884**	**1,509,648,657**	**1,452,123,807**	**1,318,971,382**
Liabilities										
Accounts payable	**140,768**	**130,144**	**–**	**–**	**5,821,376**	**2,226,858**	**5,134,154**	**3,312,624**	**74,443**	**85,790**
Accrued expense	**4,790,740**	**4,980,792**	**4,264,726**	**2,746,773**	**2,717,792**	**6,408,890**	**3,447,424**	**3,387,226**	**2,467,727**	**2,140,018**
	4,931,508	**5,110,936**	**4,264,726**	**2,746,773**	**8,539,168**	**8,635,748**	**8,581,578**	**6,699,850**	**2,542,170**	**2,225,808**
	₱3,033,703,724	**₱3,033,004,336**	**₱2,558,346,589**	**₱1,695,335,530**	**₱1,607,156,209**	**₱1,597,223,979**	**₱ 1,509,809,306**	**₱1,502,948,807**	**₱1,449,581,637**	**₱1,316,745,574**

2025	21 Peso Liquidity Fund (PPLF)	22 Peso Multi-Asset Dynamic Allocation Fund (PMDAF)	23 Asia Growth Fund (AGF)	24 Capital Investment Fund (APCI)	25 Spanish American Legacy Fund (SEQY)	26 Peso Stable Dynamic Allocation Fund (PSDAF)	27 Government Bond Fund (RS GOV)	28 Peso Global Dynamic Allocation Fund (PSDAF/ PAF 10-15)	29 European Wealth Fund (EWF)	30 Dollar AXA Variable Income Fund (DVIPF)
Assets										
Cash and cash equivalents										
Cash in banks	**₱–**	**₱12,867,277**	**₱12,609,182**	**₱587,896**	**₱450,784**	**₱660,547**	**₱4,494,417**	**₱7,539,816**	**₱7,009,250**	**₱22,127,248**
Cash equivalents	**–**	**–**	**–**	**22,746,968**	**–**	**–**	**–**	**–**	**–**	**–**
Financial assets at FVPL										
Debt securities	**–**	**–**	**–**	**351,148,672**	**–**	**–**	**416,504,598**	**–**	**–**	**–**
Equity securities	**–**	**–**	**–**	**–**	**495,729,287**	**–**	**–**	**–**	**–**	**–**
Exchange-traded funds	**–**	**–**	**691,624,090**	**–**	**–**	**–**	**–**	**–**	**174,976,616**	**123,911,649**
Unit investment trust	**863,858,079**	**708,959,483**	**–**	**240,779,142**	**42,746,393**	**525,234,477**	**20,886,940**	**257,854,832**	**–**	**–**
Real Estate Investment trust	**–**	**–**	**–**	**–**	**41,729,550**	**–**	**–**	**–**	**–**	**–**
Investment income due and accrued	**–**	**–**	**–**	**6,303,303**	**90,913**	**–**	**5,764,142**	**–**	**–**	**491**
Accounts receivable	**–**	**–**	**2,087,260**	**27,647**	**20,598,902**	**672,113**	**–**	**1,659,033**	**61,647**	**–**
	863,858,079	**721,826,760**	**706,320,532**	**621,593,628**	**601,345,829**	**526,567,137**	**447,650,097**	**267,053,681**	**182,047,513**	**146,039,388**
Liabilities										
Accounts payable	**353,189**	**1,891,085**	**764**	**153,561**	**1,659,903**	**25,832,793**	**823,003**	**300,384**	**–**	**–**
Accrued expense	**–**	**2,353,586**	**8,968,983**	**3,284,899**	**1,760,285**	**928,077**	**1,090,489**	**918,866**	**4,576,497**	**205,651**
	353,189	**4,244,671**	**8,969,747**	**3,438,460**	**3,420,188**	**26,760,870**	**1,913,492**	**1,219,250**	**4,576,497**	**205,651**
	₱863,504,890	**₱717,582,089**	**₱697,350,785**	**₱618,155,168**	**₱597,925,641**	**₱499,806,267**	**₱445,736,605**	**₱265,834,431**	**₱177,471,016**	**₱145,833,737**

2025	31 Corporate Bond Fund (RS CORP)	32 3Gxceed B26 Fund (BD26)	33 Peso AXA Variable Income Fund (PVIPF)	34 Money Market Fund (RS MM)	Total
Assets					
Cash and cash equivalents					
Cash in banks	**₱2,013,785**	**₱31,959**	**₱8,686,251**	**₱950,700**	**₱1,355,745,406**
Cash equivalents	–	–	–	–	**78,520,654**
Financial assets at FVPL					
Debt securities	–	**95,587,952**	–	–	**8,661,480,917**
Equity securities	–	–	–	–	**35,149,266,365**
Exchange-traded funds	–	–	**80,746,307**	–	**88,111,634,947**
Unit investment trust	**109,755,199**	–	–	**47,395,757**	**10,855,475,964**
Real Estate Investment trust	–	–	–	–	**4,823,043,134**
Investment income due and accrued	–	**1,803,927**	–	–	**140,196,202**
Accounts receivable	–	–	–	–	**108,898,883**
	111,768,984	**97,423,838**	**89,432,558**	**48,346,457**	**149,284,262,472**
Liabilities					
Accounts payable	**209,117**	–	–	**89,145**	**306,975,435**
Accrued expense	**286,404**	**826,955**	**137,586**	**163,605**	**417,542,750**
	495,521	**826,955**	**137,586**	**252,750**	**724,518,185**
	₱111,273,463	**₱96,596,883**	**₱89,294,972**	**₱48,093,707**	**₱148,559,744,287**

2024	1 Global Advantage Fund (GAF)	2 Chinese Tycoon Fund (CEQY)	3 Peso Global Advantage Fund (PGAF)	4 Wealth Equity Fund (EQTY)	5 Wealth Balanced Fund (BALF)	6 Opportunity Fund (OPPT)	7 Growth Dynamic Allocation Fund (GDAF)	8 Peso Global Assets Income Paying Fund (PGAIPF)	9 Dollar Global Assets Income Paying Fund (DGAIPF)	10 Premium Bond Fund (APPB)
Assets										
Cash and cash equivalents										
Cash in banks	₱157,735,149	₱129,752,540	₱178,351,654	₱81,622,041	₱22,383,678	₱44,921,682	₱45,051,008	₱54,626,249	₱38,365,610	₱11,267,845
Cash equivalents	–	–	–	–	–	–	–	–	–	–
Financial assets at FVPL										
Debt securities	–	–	–	–	3,756,058,663	–	–	–	–	2,782,320,155
Equity securities	–	21,744,113,435	–	12,677,146,971	3,077,763,459	5,974,745,262	–	–	–	–
Exchange-traded funds	40,011,852,776	–	21,634,932,673	–	–	–	–	3,931,361,257	3,421,040,508	–
Unit investment trust	–	291,427,468	–	184,307,398	25,279,731	109,321,142	4,902,770,441	–	–	234,428,835
Real estate investment trust	–	–	–	–	–	109,250,460	–	–	–	–
Investment income due and accrued	6,354	3,802,833	–	5,396,586	46,925,579	2,644,717	–	238	1,323	53,067,940
Accounts receivable	6,418,210	64,894,954	–	165,620,564	16,531,783	74,270,670	2,889,858	6,595,940	579	1,035,444
	40,176,012,489	22,233,991,230	21,813,284,327	13,114,093,560	6,944,942,893	6,315,153,933	4,950,711,307	3,992,583,684	3,459,408,020	3,082,120,219
Liabilities										
Accounts payable	107,051,485	56,312,663	48,286,536	33,097,255	11,253,450	14,531,773	2,989,534	25,548,415	1,158,366	918,421
Accrued expense	105,244,530	72,683,052	67,593,350	29,079,513	16,779,129	16,949,744	9,895,641	6,838,218	5,901,856	28,293,954
	212,296,015	128,995,715	115,879,886	62,176,768	28,032,579	31,481,517	12,885,175	32,386,633	7,060,222	29,212,375
	₱39,963,716,474	₱22,104,995,515	₱21,697,404,441	₱13,051,916,792	₱6,916,910,314	₱6,283,672,416	₱4,937,826,132	₱3,960,197,051	₱3,452,347,798	₱3,052,907,844

2024	11 Multi Asset Dynamic Allocation Fund (MDAF)	12 Peso Reit Assets Income Paying Fund (PIPF)	13 Equity Fund (RS EQ)	14 Wealth Bond Fund (BOND)	15 Peso Growth Dynamic Allocation Fund (PGDAF)	16 Capital Investment Fund (APCI)	17 Dollar Reit Assets Income Paying Fund (DIPF)	18 Asia Growth Fund (AGF)	19 Spanish American Legacy Fund (SEQY)	20 Peso Edge Equity Fund (PGTAF)
Assets										
Cash and cash equivalents										
Cash in banks	₱27,666,365	₱24,019,657	₱13,021,301	₱10,532,597	₱25,468,149	₱21,245,836	₱16,654,068	₱10,933,189	₱5,379,595	₱32,764,768
Cash equivalents	–	–	–	30,500,000	–	172,881,707	–	–	–	–
Financial assets at FVPL										
Debt securities	–	–	–	1,428,927,858	–	597,685,094	–	–	–	–
Equity securities	–	–	1,586,174,599	–	–	–	–	–	620,120,297	–
Exchange-traded funds	–	–	–	–	–	–	–	714,260,377	–	649,152,663
Unit investment trust	2,069,189,484	–	–	46,459,988	1,444,807,896	292,576,204	–	–	22,862,518	–
Real Estate Investment trust	–	1,957,345,537	–	–	–	–	937,987,663	–	54,002,850	–
Investment income due and accrued	–	–	719,506	17,650,865	–	10,623,209	923	–	441,477	–
Accounts receivable	1,036,849	856	262,730	297,192	–	2,904,187	577	2,053,709	9,050,195	–
	2,097,892,698	1,981,366,050	1,600,178,136	1,534,368,500	1,470,276,045	1,097,916,237	954,643,231	727,247,275	711,856,932	681,917,431
Liabilities										
Accounts payable	8,720,549	–	10,981,247	2,813,594	3,663,656	215,263	–	256,862	1,454,422	1,499,029
Accrued expense	3,540,840	3,387,802	3,833,918	3,536,534	5,577,873	4,183,075	1,612,411	9,017,291	2,114,430	1,089,154
	12,261,389	3,387,802	14,815,165	6,350,128	9,241,529	4,398,338	1,612,411	9,274,153	3,568,852	2,588,183
	₱2,085,631,309	₱1,977,978,248	₱1,585,362,971	₱1,528,018,372	₱1,461,034,516	₱1,093,517,899	₱953,030,820	₱717,973,122	₱708,288,080	₱679,329,248

2024	21 Stable Dynamic Allocation Fund (SDAF)	22 Peso Multi-Asset Dynamic Allocation Fund (PMDAF)	23 Dollar Edge Equity Fund (DGTAF)	24 Peso Liquidity Fund (PPLF)	25 Government Bond Fund (RS GOV)	26 Peso Stable Dynamic Allocation Fund (PSDAF)	27 European Wealth Fund (EWF)	28 3Gxceed B26 Fund (BD26)	29 Corporate Bond Fund (RS CORP)	30 Money Market Fund (RS MM)	Total
Assets											
Cash and cash equivalents											
Cash in banks	₱11,922,722	₱8,469,054	₱33,499,080	₱–	₱5,529,363	₱11,547,027	₱5,848,872	₱226,325	₱1,177,009	₱874,979	₱1,030,857,412
Cash equivalents	–	–	–	–	9,000,000	–	–	–	–	–	212,381,707
Financial assets at FVPL											
Debt securities	–	–	–	–	368,151,056	–	–	104,484,465	–	–	9,037,627,291
Equity securities	–	–	–	–	–	–	–	–	–	–	45,680,064,023
Exchange-traded funds	–	–	508,777,270	–	–	–	169,874,375	–	–	–	71,041,251,899
Unit investment trust	634,201,030	557,671,542	–	503,960,424	17,059,815	183,680,547	–	–	99,515,054	45,397,154	11,664,916,671
Real Estate Investment trust	–	–	–	–	–	–	–	–	–	–	3,058,586,510
Investment income due and accrued	–	–	1,853	–	4,695,379	–	–	1,968,222	–	–	147,947,004
Accounts receivable	535,913	–	1,157	–	–	1,643,669	60,656		–	–	356,105,692
	646,659,665	566,140,596	542,279,360	503,960,424	404,435,613	196,871,243	175,783,903	106,679,012	100,692,063	46,272,133	142,229,738,209
Liabilities											
Accounts payable	9,284,230	2,577,317	405,483	294,048	–	531,715	–	–	20,000	–	343,865,313
Accrued expense	1,151,362	1,884,998	747,719	–	1,074,459	780,090	4,580,333	958,919	320,654	213,666	408,864,515
	10,435,592	4,462,315	1,153,202	294,048	1,074,459	1,311,805	4,580,333	958,919	340,654	213,666	752,729,828
	₱636,224,073	₱561,678,281	₱541,126,158	₱503,666,376	₱403,361,154	₱195,559,438	₱171,203,570	₱105,720,093	₱100,351,409	₱46,058,467	₱141,477,008,381

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

Debt securities
Debt securities bear interest ranging from 1.65% to 11.25% in 2025, and 1.38% to 11.25% in 2024.

Equity securities
Equity securities include quoted equity securities traded in the Philippine Stock Exchange.

Exchange-traded funds
Investment in exchange-traded funds (ETFs) classified as financial assets at FVPL are investment funds traded on stock exchanges, on which it trades close to its net asset value over the course of the trading day. As of December 31, 2025, the cost and net asset values of the investment in ETFs amounted to ₱51.50 billion and ₱88.11 billion, respectively. As of December 31, 2024, the cost and net asset values of the investment in ETFs amounted to ₱44.25 billion and ₱71.04 billion, respectively.

Unit investment trust funds
Investment in unit investment trust funds (UITFs) classified as financial assets at FVPL are ready-made investments that allow the pooling of funds from different investors with similar investment objectives. These funds are managed by professional fund managers and are invested in various financial instruments such as money market securities, bonds and equities, which are normally available to bigger investors only. As of December 31, 2025, the cost and net asset values of the investment in UITFs amounted to ₱7.85 billion and ₱10.86 billion, respectively. As of December 31, 2024, the cost and net asset values of the investment in UITFs amounted to ₱9.44 billion and ₱11.66 billion, respectively.

Real estate investment trust
Real Estate Investment Trust (REITs) classified as financial assets at FVPL are investment in income-generating real estate properties and related assets.

Investment income due and accrued
Investment income due and accrued is composed of interest receivable and dividend receivable. Interest receivable pertains to interest accrued on short-term deposits and government debt securities. Dividend receivable pertains to dividends accrued on listed equity securities.

Accounts receivable
Accounts receivable pertains to amounts due from brokers which represent receivables for securities sold that have been contracted for but not yet settled as of the end of the reporting period. This also includes subscriptions from unit holders.

Accounts payable
Accounts payable pertains to amounts due to brokers which represent payables for securities purchased that have been contracted for but not yet settled as of the end of the reporting period. This also includes redemptions payable to unit holders amounting to ₱188.65 million and ₱296.00 million as of December 31, 2025 and 2024, respectively (see Note 7).

Asset management fees payable and service fees payable
Unit-linked funds were established through a Service Level Agreement (SLA) between the unit-linked funds and Metropolitan Bank and Trust Company (MBTC). Under the SLA, MBTC shall manage the unit-linked funds faithfully in accordance with the terms and conditions of the SLA. The Company is entitled to an asset management fee equivalent to 0.30% to 2.35% per annum in 2025 and 2024, based on the net asset value of the unit-linked funds. Asset management fees payable and service fees payable is included in Accrued expenses

As compensation for services rendered, MBTC shall be entitled to a service fee equivalent to 0.03% to 0.035% per annum in 2025 and 2024, based on the net asset value of the unit-linked funds (see Note 28). Asset management fees payable and service fees payable are included in Accrued expenses.

Administration and custody fees payable
The unit-linked funds and Citibank entered into a fund administration services agreement wherein Citibank shall perform administrative functions, which include, among others, the preparation and maintenance of books of accounts, computation of net asset value, and payment of expenses incurred by the unit-linked funds. As compensation for services rendered, Citibank shall be entitled to an administration and custody fee equivalent to 0.03% to 0.05% per annum in 2025 and 2024, based on the net asset value of the unit-linked funds. Administration and custody fees payable are included in Accrued expenses. Administration and custody fees payable is included in Accrued expenses.

The net asset values of the various unit-linked funds follow:

	2025	2024
AXA Philippine Global Advantage Fund	**₱42,498,513,171**	₱39,963,716,474
AXA Peso Global Advantage Fund	**26,580,721,932**	21,697,404,441
AXA Philippine Chinese Tycoon Fund	**15,751,752,006**	22,104,995,515
AXA Philippine Wealth Equity Fund	**10,996,560,058**	13,051,916,792
AXA Philippine Wealth Balanced Fund	**6,214,409,701**	6,916,910,314
AXA Peso Global Assets Income Paying Fund	**5,172,148,034**	3,960,197,051
AXA Philippine Opportunity Fund	**5,117,654,155**	6,283,672,416
AXA Dollar Global Assets Income Paying Fund	**4,411,986,308**	3,452,347,798
AXA Philippine Growth Dynamic Allocation Fund	**4,101,230,937**	4,937,826,132
AXA Philippine Premium Bond Fund	**3,036,452,640**	3,052,907,844
Dollar AXA Global Equity Income Paying Fund	**3,033,703,724**	-
Peso AXA Global Equity Income Paying Fund	**3,033,004,336**	-
Peso AXA Global REIT and Property Income Fund	**2,558,346,589**	1,977,978,248
Peso AXA Global Edge Equity Fund	**1,695,335,530**	679,329,248
AXA Philippine Multi-Asset Dynamic Allocation Fund	**1,607,156,209**	2,085,631,309
AXA Peso Global Dynamic Allocation Fund - Growth	**1,597,223,979**	1,461,034,516
AXA Philippine Equity Fund	**1,509,809,306**	1,585,362,971
AXA Philippine Wealth Bond Fund	**1,502,948,807**	1,528,018,372
Dollar AXA Global REIT and Property Income Fund	**1,449,581,637**	953,030,820
Dollar AXA Global Edge Equity Fund	**1,316,745,574**	541,126,158
AXA Philippine Peso Liquidity Fund	**863,504,890**	503,666,376
AXA Peso Global Dynamic Allocation Fund - Multiasset	**717,582,089**	561,678,281
AXA Philippine Asia Growth Fund	**697,350,785**	717,973,122
AXA Philippine Capital Investment Fund	**618,155,168**	1,093,517,899
AXA Philippine Spanish American Legacy Fund	**597,925,641**	708,288,080
AXA Philippine Stable Dynamic Allocation Fund	**499,806,267**	636,224,073
AXA Philippine Government Bond Fund	**445,736,605**	403,361,154
AXA Peso Global Dynamic Allocation Fund - Stable	**265,834,431**	195,559,438
AXA Philippine European Wealth Fund	**177,471,016**	171,203,570
Dollar AXA Variable Income Fund	**145,833,737**	-
AXA Philippine Corporate Bond Fund	**111,273,463**	100,351,409
AXA Philippine 3GXceed B26 Fund	**96,596,883**	105,720,093
Peso AXA Variable Income Fund	**89,294,972**	-
AXA Philippine Money Market Fund	**48,093,707**	46,058,467
	₱148,559,744,287	₱141,477,008,381

The movements in unit-linked liabilities during the period follow:

	Note	**2025**	2024
At January 1		**₱141,242,994,887**	₱135,434,076,244
Subscriptions allocated to unit-linked funds		**19,191,278,049**	14,049,448,943
Withdrawals and redemptions	22	**(24,017,730,396)**	(25,672,193,607)
Gain on assets held to cover unit-linked liabilities	23	**11,054,868,134**	15,135,515,953
Foreign exchange gain		**799,719,297**	2,296,147,354
At December 31		**₱148,271,129,971**	₱141,242,994,887

16. Insurance Contract Liabilities

This account consists of:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities** (Note 8)	**Net**
Life insurance contracts	**₱18,766,414,733**	**₱313,400,979**	**₱18,453,013,754**
Non-life insurance contracts	**5,358,212,644**	**2,190,887,536**	**3,167,325,108**
	₱24,124,627,377	**₱2,504,288,515**	**₱21,620,338,862**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 8)	Net
Life insurance contracts	₱16,512,884,043	₱310,316,183	₱16,202,567,860
Non-life insurance contracts	5,607,802,224	2,721,022,812	2,886,779,412
	₱22,120,686,267	₱3,031,338,995	₱19,089,347,272

Life Insurance Contract Liabilities

This account consists of:

	2025	2024
Legal policy reserves	**₱13,489,061,076**	₱11,814,228,623
Claims and benefits payable	**4,864,236,963**	4,318,815,612
Policyholders' dividends	**413,116,694**	379,839,808
	₱18,766,414,733	₱16,512,884,043

Insurance contract liabilities is composed of:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities** (Note 8)	**Net**
Legal policy reserves	**₱13,489,061,076**	**₱313,400,979**	**₱13,175,660,097**
Claims and benefits payable	**4,864,236,963**	**–**	**4,864,236,963**
Policyholders' dividends	**413,116,694**	**–**	**413,116,694**
	₱18,766,414,733	**₱313,400,979**	**₱18,453,013,754**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 8)	Net
Legal policy reserves	₱11,814,228,623	₱310,316,183	₱11,503,912,440
Claims and benefits payable	4,318,815,612	–	4,318,815,612
Policyholders' dividends	379,839,808	–	379,839,808
	₱16,512,884,043	₱310,316,183	₱16,202,567,860

Legal policy reserves, net of recoverable from reinsurers (see Note 8), may be analyzed as follows:

	2025	2024
Gross		
Aggregate reserves for ordinary life policies	**₱11,068,785,686**	₱9,516,717,783
Aggregate reserves for group life policies	**149,631,197**	132,605,572
Cost of insurance related reserves	**1,691,577,757**	1,762,947,511
Aggregate reserves for accident and health policies	**579,066,436**	401,957,757
	13,489,061,076	11,814,228,623
Recoverable from reinsurers		
Aggregate reserves for ordinary life policies	**10,852,358**	10,642,193
Aggregate reserves for group life policies	**49,826,348**	47,665,202
Cost of insurance related reserves	**47,732,684**	50,231,043
Aggregate reserves for accident and health policies	**204,989,589**	201,777,745
	313,400,979	310,316,183
Net		
Aggregate reserves for ordinary life policies	**11,057,933,328**	9,506,075,590
Aggregate reserves for group life policies	**99,804,849**	84,940,370
Cost of insurance related reserves	**1,643,845,073**	1,712,716,468
Aggregate reserves for accident and health policies	**374,076,847**	200,180,012
	₱13,175,660,097	₱11,503,912,440

The movements in legal policy reserves, net of recoverable from reinsurers (see Note 8), during the year follow:

	2025			2024		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
At January 1	**₱11,814,228,623**	**₱310,316,183**	**₱11,503,912,440**	₱8,942,910,007	₱311,669,742	₱8,631,240,265
Due to change in discount rates	**(247,249,409)**	–	**(247,249,409)**	152,855,371	–	152,855,371
Due to change in policies and assumptions	**1,922,081,862**	**3,084,796**	**1,918,997,066**	2,718,463,245	(1,353,559)	2,719,816,804
At December 31	**₱13,489,061,076**	**₱313,400,979**	**₱13,175,660,097**	₱11,814,228,623	₱310,316,183	₱11,503,912,440

The movements during the year in remeasurement gain (loss) on life insurance reserves follow:

	2025	2024
At January 1	**₱817,459,161**	₱932,100,689
Change during the year	**185,437,057**	(114,641,528)
Remeasurement gain (loss) on life insurance reserves, net of tax	**1,002,896,218**	817,459,161
Tax effect	**334,298,740**	272,486,387
At December 31, gross of tax	**₱1,337,194,958**	₱1,089,945,548

The movements during the year in claims and benefits payable follow:

	Note	**2025**	2024
At January 1		**₱4,318,815,612**	₱4,493,680,855
Arising during the year	22	**3,335,322,560**	3,392,978,336
Paid during the year		**(2,789,901,209)**	(3,567,843,579)
At December 31		**₱4,864,236,963**	₱4,318,815,612

The movements during the period in policyholders' dividends follow:

	2025	2024
At January 1	**₱379,839,808**	₱384,026,383
Arising during the year	**66,849,794**	73,946,079
Paid during the year	**(33,572,908)**	(78,132,654)
At December 31	**₱413,116,694**	₱379,839,808

Non-life Insurance Contract Liabilities

Insurance contract liabilities may be analyzed as follows:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities** (Note 8)	**Net**
Provision for claims reported and loss adjustment expenses	**₱1,721,721,371**	**₱1,141,929,450**	**₱579,791,921**
Allowance for credit and impairment losses	**–**	**(180,087,532)**	**180,087,532**
Provision for IBNR and ULAE (unallocated loss adjustment expenses)	**1,689,037,732**	**1,077,344,634**	**611,693,098**
Total claims reported and IBNR	**3,410,759,103**	**2,039,186,552**	**1,371,572,551**
Provision for unearned premiums	**1,947,453,541**	**151,700,984**	**1,795,752,557**
Total insurance contract liabilities	**₱5,358,212,644**	**₱2,190,887,536**	**₱3,167,325,108**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 8)	Net
Provision for claims reported and loss adjustment expenses	₱2,248,722,826	₱1,732,156,198	₱516,566,628
Allowance for credit and impairment losses	–	(206,760,612)	206,760,612
Provision for IBNR and ULAE (unallocated loss adjustment expenses)	1,726,253,409	859,073,322	867,180,087
Total claims reported and IBNR	3,974,976,235	2,384,468,908	1,590,507,327
Provision for unearned premiums	1,632,825,989	336,553,904	1,296,272,085
Total insurance contract liabilities	₱5,607,802,224	₱2,721,022,812	₱2,886,779,412

Provisions for claims reported by policyholders and IBNR may be analyzed as follows:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**
At January 1, 2025	**₱3,974,976,235**	**₱2,384,468,908**	**₱1,590,507,327**
Claims incurred during the year	**1,102,895,069**	**(16,988,937)**	**1,119,884,006**
Increase in IBNR and ULAE	**(37,215,677)**	**218,271,312**	**(255,486,989)**
Claims paid during the year	**(1,629,896,524)**	**(546,564,731)**	**(1,083,331,793)**
At December 31, 2025	**₱3,410,759,103**	**₱2,039,186,552**	**₱1,371,572,551**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
At January 1, 2024	₱4,380,623,088	₱2,722,749,097	₱1,657,873,991
Claims incurred during the year	1,065,566,966	70,603,769	994,963,197
Increase in IBNR and ULAE	(109,344,757)	15,507,202	(124,851,959)
Claims paid during the year	(1,361,869,062)	(424,391,160)	(937,477,902)
At December 31, 2024	₱3,974,976,235	₱2,384,468,908	₱1,590,507,327

Claims under litigation as of December 31, 2025 and 2024 amounted to ₱926.32 million and ₱1.50 billion, respectively.

Provision for unearned premiums may be analyzed as follows:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities** (Note 8)	**Net**
At January 1, 2025	**₱1,632,825,989**	**₱336,553,904**	**₱1,296,272,085**
New policies written during the year	**4,204,444,099**	**1,268,086,608**	**2,936,357,491**
Premiums earned during the year	**(3,889,816,547)**	**(1,452,939,528)**	**(2,436,877,019)**
At December 31, 2025	**₱1,947,453,541**	**₱151,700,984**	**₱1,795,752,557**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 8)	Net
At January 1, 2024	₱1,467,884,365	₱250,048,823	₱1,217,835,542
New policies written during the year	3,377,349,480	1,237,481,143	2,139,868,337
Premiums earned during the year	(3,212,407,856)	(1,150,976,062)	(2,061,431,794)
At December 31, 2024	₱1,632,825,989	₱336,553,904	₱1,296,272,085

17. Life Insurance Contract Liabilities and Reinsurance Assets - Terms, Assumptions and Sensitivities

Life Insurance Contracts

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

Terms

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

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

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

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

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

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

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

- *Discount rates*
  Discount rates relate to the time value of money. Discount rate assumptions are based on current observed rates in the market and consistent with the discount rates published by IC. The discount rates are reviewed and revised at each reporting date. An increase (decrease) in discount rate would result in remeasurement gain (loss) on life insurance reserves.

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

- *Expenses*
  The expense assumptions are based on the Company's experience derived from its latest expense study.

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

The estimation of liabilities include margin for adverse deviations (MfADs) as prescribed by IC Circular Letter No. 2016-66. The following fixed margins for adverse deviations were used on all modeled future cash flows for each product group:

Key Assumption	Product Group		
	Whole Life	**Endowment**	**Term**
Interest	-10%	-10%	-10%
Expense	+20%	+20%	+20%
Mortality	+10%	+10%	+10%
Morbidity	+10%	+10%	+10%
Lapse	+10%	-10%	+10%

Under the Circular, the reserves for traditional life insurance policies must be valued, where appropriate, using gross premium valuation. This is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate. For reserves of variable life insurance contracts, there were no changes in the valuation method. Furthermore, these shall be valued as the sum of:

a. market value of the underlying assets backing the separate accounts relating to the policy, excluding any seed capital; and
b. unearned cost of insurance or unearned risk charge.
c. loyalty and startup bonus reserves

Sensitivities
The analysis below is performed for a reasonably possible movement in key assumptions with all other assumptions held constant on liabilities. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumption changes had to be done on an individual basis.

	December 31, 2025	
	Change in assumptions	**Increase/(decrease) in liabilities**
Mortality/morbidity	**10%**	**₱496,148,318**
	-10%	**(506,791,875)**
Lapse	**10%**	**240,805,859**
	-10%	**(251,198,460)**
Expense	**10%**	**332,164,777**
	-10%	**(332,164,777)**
Discount rate	**-10%**	**1,562,444,797**
	10%	**(1,346,053,128)**

	December 31, 2024	
	Change in assumptions	Increase/(decrease) in liabilities
Mortality/morbidity	10%	₱449,023,948
	-10%	(458,989,881)
Lapse	10%	238,261,061
	-10%	(250,198,932)
Expense	10%	285,680,645
	-10%	(285,680,645)
Discount rate	-10%	1,249,697,975
	10%	(1,069,892,561)

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Reinsurance - Assumptions and Methods
The Company limits its exposure to loss within insurance operations through participation in reinsurance arrangements. Amounts receivable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented under 'Insurance receivables' in the Company statements of financial position. Even though the Company may have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any reinsurance contract.

18. Insurance Payables

This account consists of:

	2025	2024
Due to reinsurers	**₱1,473,056,411**	₱868,840,516
Funds held for reinsurers	**48,384,860**	208,263,277
	₱1,521,441,271	₱1,077,103,793

Due to reinsurers are payable on a quarterly basis and are noninterest bearing.

Funds held for reinsurers bear interest of 2.5% in 2025 and 2024.

The rollforward analysis of this account follows:

	Due to Reinsurers	**Funds Held for Reinsurers**	**Total**
At January 1, 2024	₱ 988,387,377	₱136,839,891	₱1,125,227,268
Arising during the year	1,428,592,873	112,170,866	1,540,763,739
Utilized	(1,548,139,734)	(40,747,480)	(1,588,887,214)
At December 31, 2024	**₱868,840,516**	**₱208,263,277**	**₱1,077,103,793**
Arising during the year	**1,496,705,728**	**37,558,590**	**1,534,264,318**
Utilized	**(892,489,833)**	**(197,437,007)**	**(1,089,926,840)**
At December 31, 2025	**₱1,473,056,411**	**₱48,384,860**	**₱1,521,441,271**

19. Trade and Other Liabilities

This account consists of:

	Notes	2025	2024
Accrued expenses		**₱2,261,273,542**	₱2,271,809,153
Commissions payable	28	**687,353,895**	480,834,923
Accounts payable		**671,986,276**	652,904,996
Taxes payable		**427,338,899**	471,169,568
Accrued shared service costs	28	**291,139,633**	248,383,790
Subscriptions payable	15	**164,909,479**	148,484,246
Others		**44,705,592**	16,130,265
		₱4,548,707,316	₱4,289,716,941

Accrued expenses include incentives and bonuses which pertains to incentive plans based on business performance, accrual of unused leaves, mid-year, medical reimbursements and provident plan contribution.

Commissions payable pertain to sales force commissions which are non-interest bearing and payable every month (see Note 28).

Accounts payable includes amounts due to suppliers which represent payables for goods and services purchased that have been contracted for but not yet settled as of the end of the reporting period which are payable on demand.

Taxes payable include taxes withheld from staffs and agents, fringe benefits taxes, stamp duties and premium taxes. These are remitted to government agencies one month after the reporting date.

Accrued shared service costs pertain to regional charges for information technology (IT) services, consultancy and support services. These are charged based on actual costs incurred. These are non-interest bearing and are payable on demand (see Note 28).

Subscriptions payable pertain to investment subscriptions from policyholders to be transferred to unit-linked funds. These are non-interest bearing and are payable on demand (see Note 15).

Other liabilities pertain to accrued professional fees, accrued advertising expenses and other miscellaneous payables. These are non-interest bearing and are payable on demand.

20. Equity

Capital stock
This account consists of common stock as of December 31, 2025 and 2024 as follows:

	2025	2024
Authorized - 20,000,000 shares, ₱100 par value		
Issued - 20,000,000 shares	**₱2,000,000,000**	₱2,000,000,000

On December 28, 2022, the SEC approved the increase of the authorized capital stock of the Company from ₱1.00 billion divided into 10,000,000 shares with a par value of ₱100 to P2.00 billion divided into 20,000,000 shares with a par value of ₱100. The issued additional 10,000,000 shares of stock with a par of ₱100 is intended to accommodate the issuance of common shares in exchange of the carrying amount of the net assets of CPAIC as of September 30, 2021.



Contributed surplus
Contributed surplus amounting to ₱1.65 billion as of December 31, 2025 and 2024 represents the original contribution of the stockholders (₱50.00 million) and the excess of CPAIC's net assets over the par value of the issued shares upon effectivity of the legal merger (₱1.60 billion).

Retained earnings
On December 12, 2024, the Company's BOD approved the declaration of cash dividends amounting to ₱150 per share totaling ₱1.50 billion to the shareholders of record as of November 30, 2024. The Company paid the dividends on December 16 and 17, 2024.

Retained earnings are restricted for the payment of dividends to the extent of the cost of common shares held in treasury, unrealized income such as fair value adjustments, and increases in deferred tax assets. As of December 31, 2025 and 2024, ₱11.40 billion and ₱8.74 billion retained earnings, respectively, were determined to be available for dividend declaration.

Under IC Circular Letter 2016-66, the Company's BOD is required to appropriate from its unassigned retained earnings an amount equal to the aggregate of the negative reserves of traditional life insurance policy. On March 26, 2026 and March 28, 2025, the Company's BOD has appropriated ₱733.64 million and ₱625.27 million of its unappropriated retained earnings relating to the movement of the negative reserves for 2025 and 2024, respectively. The total appropriated earnings relating to the aggregate negative reserves is ₱2.12 billion and ₱2.85 billion as of December 31, 2025 and 2024, respectively.

The balances of the Company's unappropriated retained earnings follow:

	2025	2024
Retained earnings	**₱17,082,251,518**	₱14,546,959,694
Appropriation for negative reserves	**(2,116,765,964)**	(2,850,406,478)
Unappropriated retained earnings	**₱14,965,485,554**	₱11,696,553,216

Treasury stock
As a result of the legal merger in 2022, the common shares issued in accordance with the increase of authorized capital stock is reacquired and recorded as treasury shares by the Company.

Common shares held in treasury are 10,000,207 shares amounting to ₱2.60 billion as of December 31, 2025 and 2024.

21. Revaluation Reserves for Available-for-sale Financial Assets

The rollforward analysis of this account follows:

	Notes	**2025**	2024
At January 1		**(₱588,978,053)**	(₱630,631,367)
Transferred to profit and loss:			
Gain on sale of AFS financial assets	22	**(3,756,582)**	(16,635,340)
Impairment loss from AFS financial assets	24	**21,407,192**	22,816,630
Fair value losses	7	**57,098,730**	35,472,024
At December 31		**(₱514,228,713)**	(₱588,978,053)

The revaluation reserve for AFS financial assets pertains to the difference between the amortized cost and fair value for debt instruments and the acquisition cost and fair value for equity investments classified as AFS financial assets.

22. Revenue and Benefits and Claims

Life and Non-life insurance contracts
Gross premiums on insurance contracts and reinsurers' share of gross premiums on insurance contract consists of the following:

	2025	2024
Premium revenue arising from contracts issued (Note 28)		
Unit-linked insurance contracts	**₱22,579,018,662**	₱18,484,488,946
Life insurance contracts	**9,705,283,097**	8,745,512,946
Non-life insurance contracts	**4,204,444,099**	3,377,349,480
Gross change in provision for unearned premiums	**(314,627,552)**	(164,941,624)
	36,174,118,306	30,442,409,748
Premium revenue ceded to reinsurers on contracts issued		
Unit-linked insurance contracts	**117,558,935**	121,955,760
Life insurance contracts	**668,305,376**	557,472,679
Non-life insurance contracts	**1,268,086,608**	1,237,481,143
Reinsurers' share of gross change in provision for unearned premiums	**184,852,920**	(86,505,081)
	2,238,803,839	1,830,404,501
	₱33,935,314,467	₱28,612,005,247

The investment income consists of:

	Notes	**2025**	2024
Interest on:			
AFS financial assets	7	**₱1,620,094,815**	₱1,359,864,024
Cash and cash equivalents	5	**314,729,148**	345,143,483
Loans and receivables	7	**55,379,816**	49,567,317
Financial assets at FVPL	7	**6,300,000**	6,300,000
		1,996,503,779	1,760,874,824
Fair value losses from financial assets at FVPL	**7**	**(102,938,276)**	(3,676,946)
Dividend income	**7**	**37,535,196**	42,577,325
Gain on sale of financial assets at FVPL		**4,301,282**	46,942,316
Gain on sale of AFS financial assets		**3,756,582**	16,635,340
Rental income	11	**1,529,773**	1,529,796
		₱1,940,688,336	₱1,864,882,655

The net insurance benefits and claims consists of:

	Notes	**2025**	2024
Gross insurance benefits and claims paid			
Life insurance contracts		**₱27,419,902,750**	₱29,139,118,022
Non-life insurance contracts		**1,629,896,524**	1,361,869,062
		29,049,799,274	30,500,987,084
Reinsurers' share of gross insurance benefits and claims			
Life insurance contracts		**(727,834,739)**	(421,849,850)
Non-life insurance contracts		**(546,564,731)**	(424,391,160)
		(1,274,399,470)	(846,241,010)
Gross change in insurance contract liabilities			
Non- life insurance contracts		**(544,318,619)**	(430,264,531)
Reinsurers' share of gross change in insurance contract liabilities			
Non-life insurance contracts		**352,174,529**	325,872,587
Increase in legal policy reserves		**1,918,997,066**	2,719,816,804
Decrease in unit-linked liabilities due to surrenders	15	**(24,017,730,396)**	(25,672,193,607)
		₱5,484,522,384	₱6,597,977,327

Life Insurance Contract
Details of net insurance benefits and claims during the year are as follows:

	Notes	**2025**	2024
Death and hospitalization benefits		**₱1,965,302,562**	₱2,446,571,351
Maturities		**627,865,609**	709,784,266
Surrenders		**698,920,895**	205,076,607
Gross experience refunds		**43,233,494**	31,546,112
	16	**3,335,322,560**	3,392,978,336
Reinsurers' share on claims and benefits incurred		**(727,834,739)**	(421,849,850)
		2,607,487,821	2,971,128,486
Policyholders' dividends and interest		**66,849,794**	73,946,079
Increase in legal policy reserves		**1,918,997,066**	2,719,816,804
		₱4,593,334,681	₱5,764,891,369

Non-life Insurance Contracts
Gross insurance contract benefits and claims paid consist of the following:

	Note	**2025**	2024
Direct insurance		**₱1,605,388,925**	₱1,301,048,448
Assumed reinsurance		**24,507,599**	60,820,614
Total insurance contract benefits and claims paid	16	**₱1,629,896,524**	₱1,361,869,062

	Note	**2025**	2024
Direct insurance		**₱538,736,045**	₱387,627,968
Assumed reinsurance		**7,828,686**	36,763,192
Total reinsurers' share of insurance contract benefits and claims paid	16	**₱546,564,731**	₱424,391,160

	Note	**2025**	2024
Change in provision for claims reported		**(₱507,102,942)**	(₱320,919,774)
Change in provision for IBNR	16	**(37,215,677)**	(109,344,757)
Total gross change in insurance contract liabilities		**(₱544,318,619)**	(₱430,264,531)

	Note	**2025**	2024
Change in provision for claims reported		**(₱570,445,841)**	(₱341,379,789)
Change in provision for IBNR	16	**218,271,312**	15,507,202
Total reinsurers' share of gross change in insurance contract liabilities		**(₱352,174,529)**	(₱325,872,587)

23. Gain (Loss) on Assets Held to Cover Unit-linked Liabilities

This account consists of:

	2025	2024
Income		
Dividend income	**₱1,651,665,396**	₱1,595,221,956
Interest income on:		
Financial assets at FVPL	**505,461,870**	549,525,240
Cash and cash equivalents	**10,850,277**	9,642,928
Fair value gains on financial assets at FVPL	**16,281,216,660**	40,788,451,583
Other income	**42,948,046**	18,267,749
	18,492,142,249	42,961,109,456
Expenses		
Fair value gain on financial assets at FVPL	**3,377,663,134**	24,325,843,636
Asset management and service fees	**3,101,364,819**	1,537,902,937
Fund administration and custody fees	**71,670,480**	1,672,729,032
Other expenses	**774,095,989**	240,282,180
	7,324,794,422	27,776,757,785
Gain before final tax	**11,167,347,827**	15,184,351,671
Final tax	**112,479,693**	48,835,718
	₱11,054,868,134	₱15,135,515,953

24. Operating and Administrative Expenses

This account consists of:

	Notes	2025	2024
Salaries, allowances and benefits	25	**₱3,673,238,526**	₱3,167,350,450
Shared service costs	28	**623,273,887**	603,834,013
Depreciation and amortization	12, 14, 29	**499,666,194**	470,040,425
Collection fees		**480,928,832**	473,641,120
Project development costs		**414,179,952**	456,067,824
Training and convention		**393,432,679**	411,832,787
Management and directors' fees	28	**289,851,498**	209,464,676
Other underwriting expenses		**183,420,891**	76,085,364
Communication, light and water		**160,589,033**	191,388,187
Advertising and promotions		**144,551,830**	177,165,172
Transportation and travel		**134,435,470**	133,235,387
Rent	29	**106,935,392**	46,564,425
Taxes, licenses and fees		**105,440,015**	98,535,591
Professional fees		**96,005,873**	11,291,567
Repairs and maintenance		**73,823,779**	91,391,198
Outside services		**62,037,126**	74,528,468
Supplies		**54,613,865**	30,551,242
Provision for (reversal of) credit and impairment losses	6, 7, 8	**54,612,089**	(75,312,473)
Impairment loss from AFS financial assets	21	**21,407,192**	22,816,630
Courier costs		**16,108,447**	7,184,394
Interest on tax assessments		**6,539,435**	48,151,539
Miscellaneous		**280,281,273**	174,927,737
		₱7,875,373,278	₱6,900,735,723

Shared service costs pertain to allocated regional charges for IT services, consultancy and support services based on the service level agreement (see Note 28).

Collection fees pertain to accrual of services in relation to premium collections of salary deduction policies and group policies. Fees are applied to collected premiums at various rates.

Project development costs pertain to charges for information technology services and other expenditures.

Miscellaneous includes integration expense, document storage costs, and other expenses.

25. Employee Benefits

The Company has a noncontributory defined benefit pension plan, covering substantially all of its employees, which requires contributions to be made by the Company to an administered fund. The Company's separate retirement fund for life and non-life is administered by MBTC as trustee (see Note 28), under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The Board of Trustees delegates the implementation of the investment policy in accordance with the investment strategy as well as various principles and objectives to an Investment Committee, which also consists of members of the Board of Trustees.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however 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.



Changes in net pension liability are as follow:

	At January 1	Net benefit cost in statements of comprehensive income: Current/Past service cost	Net interest	Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets*	Actuarial changes arising from changes: in financial assumptions	experience adjustments	Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	**₱923,969,766**	**₱129,406,872**	**₱53,989,349**	**₱183,396,221**	**(₱50,461,956)**	**₱–**	**(₱68,404,549)**	**₱2,118,582**	**(₱66,285,967)**	**₱–**	**₱990,618,064**
Fair value of plan assets	**(735,818,114)**	**–**	**(47,467,670)**	**(47,467,670)**	**50,461,956**	**2,815,751**	**–**	**–**	**2,815,751**	**(136,681,954)**	**(866,690,031)**
	₱188,151,652	**₱129,406,872**	**₱6,521,679**	**₱135,928,551**	**₱–**	**₱2,815,751**	**(₱68,404,549)**	**₱2,118,582**	**(₱63,470,216)**	**(₱136,681,954)**	**₱123,928,033**

**Excluding amount included in net interest*

	At January 1	Net benefit cost in statements of comprehensive income: Current/Past service cost	Net interest	Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets*	Actuarial changes arising from changes: in financial assumptions	experience adjustments	Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	₱813,099,002	₱110,638,185	₱45,533,467	₱156,171,652	(₱103,919,869)	₱–	₱40,363,862	₱18,255,119	₱58,618,981	₱–	₱923,969,766
Fair value of plan assets	(664,243,377)	–	(40,882,478)	(40,882,478)	103,919,869	10,652,641	–	–	10,652,641	(145,264,769)	(735,818,114)
	₱148,855,625	₱110,638,185	₱4,650,989	₱115,289,174	₱–	₱10,652,641	₱40,363,862	₱18,255,119	₱69,271,622	(₱145,264,769)	₱188,151,652

**Excluding amount included in net interest*

The cumulative amount of actuarial gains (losses) on defined benefit plan recognized in equity follow:

	2025	2024
At January 1	**₱38,032,926**	₱89,986,642
Remeasurement gains (losses):		
Defined benefit obligation	**66,285,967**	(58,618,981)
Plan assets	**(2,815,751)**	(10,652,641)
Tax effect	**(15,867,554)**	17,317,906
At December 31	**₱85,635,588**	₱38,032,926

The distribution of the plan assets follows:

	2025	2024
Assets		
Cash and cash equivalents	**₱633,007**	₱24,713,527
Debt securities	**676,956,073**	582,256,460
Equity securities	**143,558,012**	72,086,950
Receivables	**2,995,467**	51,038,452
UITF	**43,260,796**	5,974,548
Other assets	**95,952**	93,038
	867,499,307	736,162,975
Liability		
Accounts payable	**809,276**	344,861
	₱866,690,031	₱735,818,114

The Company's plan assets consist of:

- Cash and cash equivalents include regular savings and time deposits;
- Debt securities include investment in government and corporate bonds;
- Equity instruments include investments in listed stocks and mutual funds and other equity instruments;
- Receivables consist of interest and dividend receivables
- Investments in UITFs classified as FVPL are pooled, ready-made financial assets aligned with investors' shared objectives;
- Other Assets refer to miscellaneous assets that do not fall under the aforementioned categories; and
- Accounts payable pertain to trust fees payable.

The plan assets have diverse investments and do not have any concentration risk.

The Company expects to contribute ₱147.98 million to the retirement fund in 2026.

The principal assumptions used in determining pension liability for the Company's plan follow:

Life Insurance

	2025	2024
Discount rate	**6.37%**	6.11%
Rate of salary increase	**6.00%**	6.50%
Mortality rate	**2017 PICM**	2017 PICM
Average years of service	**4.66 years**	4.3 years

Discount rates used in computing for the present value of the obligation as of December 31, 2025 and 2024 are 6.37% and 6.11%, respectively.

Non-life Insurance

	2025	2024
Discount rate	**6.35%**	6.11%
Salary increase rate	**6.00%**	6.50%
Mortality rate	**2017 PCIM**	2017 PCIM
Turnover rate	**A scale ranging from 20% at age 18 to 0% at age 60**	A scale ranging from 20% at age 18 to 0% at age 60

Discount rates used in computing for the present value of the obligation as of December 31, 2025 and 2024 are 6.35% and 6.11%, respectively.

The Company plans to continue making contributions to the fund which consist of normal cost and unfunded actuarial liability. To adjust the normal cost for future salary changes and new entrants to the plan, the contributions for normal cost will be made on the basis of 6.53% of the annual covered compensation in effect at the time.

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

	2025	
	Increase (decrease) in basis points	**Impact on defined benefit obligation**
Discount rate	**+100**	**(₱77,257,510)**
	(100)	**88,625,908**
Rate of salary increase	**+100**	**92,834,580**
	(100)	**(82,253,460)**

	2024	
	Increase (decrease) in basis points	Impact on defined benefit obligation
Discount rate	+100	(₱75,677,055)
	(100)	87,316,115
Rate of salary increase	+100	90,529,733
	(100)	(79,818,155)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The management performed an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Company's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The average duration of the expected benefit payments as of December 31, 2025 and 2024 is 11.76 years and 12.40 years, respectively.

The maturity analysis of the undiscounted benefit payments as of December 31, 2025 and 2024 follows:

	2025		
	Normal Retirement	**Other than Normal Retirement**	**Total**
Less than one year	**₱2,925,798**	**₱64,889,014**	**₱67,814,812**
More than one year to five years	**135,558,662**	**300,576,442**	**436,135,104**
More than five years to 10 years	**327,099,815**	**472,222,299**	**799,322,114**
More than 10 years to 15 years	**634,389,092**	**478,684,176**	**1,113,073,268**
More than 15 years to 20 years	**764,695,775**	**394,054,104**	**1,158,749,879**
More than 20 years	**1,482,107,921**	**403,431,975**	**1,885,539,896**

	2024		
	Normal Retirement	Other than Normal Retirement	Total
Less than one year	₱6,177,812	₱69,222,126	₱75,399,938
More than one year to five years	127,049,675	267,573,892	394,623,567
More than five years to 10 years	278,637,616	444,572,216	723,209,832
More than 10 years to 15 years	563,844,777	474,013,629	1,037,858,406
More than 15 years to 20 years	806,207,457	409,248,298	1,215,455,755
More than 20 years	1,575,860,056	435,216,235	2,011,076,291

Staff costs and other employee related costs (see Note 24) consist of:

	2025	2024
Salaries and wages	**₱2,978,667,802**	₱2,580,501,157
Short-term employee benefits	**422,494,692**	350,881,802
Retirement expense	**129,406,872**	110,638,185
Social security costs and Pag-ibig contributions	**127,166,979**	107,804,675
Others	**15,502,181**	17,524,631
	₱3,673,238,526	₱3,167,350,450

26. Income Taxes

Provision for income tax consists of:

	2025	2024
Current		
RCIT	**₱280,052,599**	₱377,927,086
Final tax	**378,676,232**	332,537,278
	658,728,831	710,464,364
Deferred	**98,390,537**	86,422,566
	₱757,119,368	₱796,886,930

RCIT includes income tax-related assessments amounting to ₱0.74 million and ₱27.32 million in 2025 and 2024, respectively.

As of December 31, 2025, prepaid income tax claimed against income tax due amounted to ₱92.78 million within "Other assets", represents amounts that were withheld from income tax payments to be carried over in the succeeding period for the same purpose.

Deferred tax assets are recognized only to the extent that realization of the related tax benefit is probable. Components of recognized deferred tax assets and liabilities follow:

	2025	2024
Deferred tax assets:		
Affecting profit and loss:		
Accrued expenses	**₱582,967,698**	₱545,609,109
Provision for IBNR and ULAE	**152,923,274**	216,795,022
Allowance for credit and impairment losses	**103,474,366**	103,687,941
Net pension liability	**59,527,204**	59,715,555
Unrealized foreign exchange loss	**36,197,829**	–
Unamortized past service cost	**20,833,286**	19,096,350
Deferred reinsurance commissions	**7,847,084**	16,872,853
Commission expense accrual	**675,828**	17,981,840
	964,446,569	979,758,670
Deferred tax liabilities:		
Affecting profit and loss:		
Deferred acquisition costs	**107,515,654**	64,028,756
Unrealized foreign exchange gains	**57,846,845**	18,255,307
Affecting other comprehensive income:		
Legal policy reserves	**334,298,740**	272,486,387
Remeasurement gain on defined benefit plan	**28,545,196**	12,677,642
	528,206,435	367,448,092
Net deferred tax assets	**₱436,240,134**	₱612,310,578

Movements in net deferred tax asset comprise of:

	2025	2024
Balance at beginning of the year	**₱612,310,578**	₱649,328,205
Amounts charged against statements of income	**(98,390,537)**	(86,422,566)
Amounts charged against statements of comprehensive income	**(77,679,907)**	55,531,747
Application of MCIT	**–**	(6,126,808)
Balance at end of year	**₱436,240,134**	₱612,310,578

As of December 31, 2025 and 2024, the Company did not recognize deferred tax assets on the deductible temporary difference for Allowance for doubtful accounts amounting to ₱31.84 million and ₱20.55 million, respectively.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2025	2024
Statutory income tax rate	**25.00%**	25.00%
Add (deduct) tax effects of:		
Interest income subjected to final tax	**(12.85%)**	(3.20%)
Nondeductible expenses	**10.52%**	2.31%
Loss (income) exempt from/not subject to income tax	**(0.05%)**	(0.66%)
Income tax assessment	**0.02%**	–
Change in unrecognized DTA	**0.34%**	0.83%
Effective income tax rate	**23.00%**	24.28%

27. **Management of Insurance and Financial Risks**

Governance Framework

The Company has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity, insurance and operational risk. It also supports the effective implementation of policies at the overall company and individual business unit levels.

The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of underwriting and reinsurance strategies to the corporate goals and specific reporting requirements.

Regulatory Framework

Regulators are interested in protecting the rights of the policyholders and maintain close vigil to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

The operations of the Company are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, fixed capitalization requirements and risk-based capital (RBC) requirements) to minimize the risk of default and insolvency on the part of the insurance companies to meet the unforeseen liabilities as these arise.

Capital Management

The Company manages its capital through its compliance with the statutory requirements on minimum paid-up capital and minimum net worth. The Company is also complying with the statutory regulations on RBC to measure the adequacy of its statutory surplus in relation to the risks inherent in its business. The RBC method involves developing a risk-adjusted target level of statutory surplus by applying certain factors to various asset, premium and reserve items. Higher factors are applied to more risky items and lower factors are applied to less risky items. The target level of statutory surplus varies not only as a result of the insurer's size, but also on the risk profile of the insurer's operations.

A substantial portion of the Company's long-term insurance business comprises policies where the investment risk is borne by policyholders. Risk attributable to policyholders is actively managed keeping in view their investment objectives and constraints.

The Company's policy to address the situations where the capital level maintained is lower than required is to oblige the shareholders to add more capital. The Company currently holds surplus capital as a buffer for possible deviation in future profitability.

To ensure compliance with these externally imposed capital requirements, it is the Company's policy to monitor the paid-up capital, net worth and RBC requirements on a quarterly basis as part of the Company's internal financial reporting process.

Based on its calculations, the Company fully complied with the externally imposed capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous year.

The estimated amounts of non-admitted assets as defined under the Code, and are still subject to examination by the IC, which are included in the accompanying Company statements of financial position, follow:

	Life Insurance	
	2025 (Estimated)	2024 (Actual)
Cash and cash equivalents	**₱**–	₱–
Insurance receivables	**4,925,960**	14,126,061
Segregated fund assets	–	76,160,836
Available for sale assets	–	250,000
Accrued Income	–	133,676
Loans and receivables - net	**85,169,079**	66,826,383
Investment in subsidiary	–	–
Property and equipment - net	**178,032,659**	204,329,877
Deferred tax assets - net	**522,161,330**	482,890,249
Other assets	**1,953,032,705**	1,914,853,114
	₱2,743,326,379	₱2,759,570,196

	Non-Life Insurance	
	2025 (Estimated)	2024 (Actual)
Cash and cash equivalents	**₱**–	₱31,743,172
Insurance receivables	**431,355,662**	309,263,504
Available-for-sale financial assets	–	36,650
Loans and receivables - net	**13,808,600**	22,670,989
Property and equipment - net	**74,531**	237,305
Non-current assets held for sale	–	31,543,664
Deferred tax assets - net	**248,377,543**	401,906,716
Other assets	**121,792,625**	187,576,263
	₱815,408,960	₱984,978,263

Fixed capitalization requirements
On August 15, 2013, the President of the Philippines approved Republic Act No. 10607 to be known as the "New Insurance Code" which provides the new capitalization requirements for all existing insurance companies based on net worth on a staggered basis starting June 30, 2013 up to December 31, 2022.

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

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

Net worth	Compliance Date
₱550,000,000	December 31, 2016
900,000,000	December 31, 2019
1,300,000,000	December 31, 2022

As of December 31, 2025 and 2024, the Company has complied with the minimum net worth requirement.

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

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

In 2016, the IC issued Circular Letter No. 2016-68, Amended Risk-Based Capital (RBC2) Framework, pursuant to Section 437 of the Amended Insurance Code. The RBC ratio shall be calculated as Total Available Capital (TAC) divided by the RBC requirement.

TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis (e.g. Capital Stock, Statutory Deposit, Capital Stock Subscribed, Contributed Surplus, etc.). Tier 2 Capital does not have the same high quality characteristics of Tier 1 capital, but can provide an additional buffer to the insurer [e.g. Reserve for Appraisal Increment – Property and Equipment, Remeasurement Gains (Losses) on Retirement Pension Asset (Obligation)]. Tier 2 Capital shall not exceed 50% of Tier 1 Capital.

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

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

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

The following table shows how the RBC ratio was determined by the Company based on its calculations:

	2025 (Estimated)	2024 (Actual)
Total Available Capital	**₱14,624,257,337**	₱11,766,602,578
RBC requirement	**3,770,493,184**	3,976,752,230
RBC Ratio	**388%**	296%

The final RBC ratio can be determined only after the accounts of the Company have been examined by the IC specifically as to admitted and non-admitted assets as defined under the Code. The 2024 RBC ratio was determined to be at 296% based on the examination made by the IC.

b. Non-life Insurance

IMC No. 7-2006 provides for the RBC framework for the non-life insurance industry to establish the required amounts of capital to be maintained by the companies in relation to their investment and insurance risks. Every non-life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

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

The following table shows how the RBC ratio as of December 31, 2025 was determined by the Company:

	2025 (Estimated)	2024 (Actual)
Total Available Capital	**₱2,314,005,514**	₱1,863,520,755
RBC requirement	**725,855,447**	966,047,234
RBC Ratio	**319%**	193%

The final RBC ratio can be determined only after the accounts of the Company have been examined by the IC specifically as to admitted and non-admitted assets as defined under the Code. The 2024 RBC ratio was determined to be at 193% based on the examination made by the IC.

Regulatory framework
Pursuant to the powers vested in the Insurance Commissioner by Sections 189, 200, 437 and 438 of Republic Act (RA) No. 10607, otherwise known as the Insurance Code, as amended, the following regulatory requirements and actions are hereby adopted and promulgated:

Circular Letter No. 2016-65, Financial Reporting Framework under Section 189 of the Amended Insurance Code (Republic Act No. 10607), prescribes the new financial reporting framework (FRF) that will be used for the statutory quarterly and annual reporting. This also includes rules and regulations concerning Titles III and IV of Chapter III of the Amended Insurance Code and all other accounts not discussed in the Amended Insurance Code but are used in accounting of insurance and reinsurance companies. This Circular was further amended by CL No. 2018-54 to clarify the provisions of Section 6.1 ("Miscellaneous Provisions").

Circular Letter No. 2016-66, Valuation Standards for Life Insurance Policy Reserves, provides a change in the basis of valuation of the life insurance policy reserves from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) which now considers other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. This CL was further amended by *CL 2018-75, Discount Rates for Life Insurance Policy Reserves* as of December 31, 2018, which prescribes the use of PHP BVAL Reference rates from Bloomberg for Philippine Peso policies.

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

Implementation requirements and transition accounting
Circular Letter No. 2016-69, Implementation Requirements for Financial Reporting, Valuation Standards for Insurance Policy Reserves and Amended Risk-based Capital (RBC2) Framework.
The new regulatory requirements under Circular Letters 2016-65, 2016-66, and 2016-68 shall take effect beginning January 1, 2017.

This circular was further amended by CL No. 2018-19 allowing companies to set the Margin for Adverse Deviation (MfAD) as follows:

Period Covered	Percentage (%) of company specific MfAD
2017	0%
2018	50%
2019 onwards	100%

Circular Letter No. 2017-15, Regulatory Requirements and Actions for the New Regulatory Framework. The cumulative prior year impact of the changes arising from the adoption of the New Financial Reporting Framework, including the revaluation of the reserves for Claims and Premiums Liabilities computed based on the new valuation standards for non-life insurance policy reserves as provided under CL No. 2016-67, shall be recognized in "Retained Earnings – Transition Adjustments" account except for items listed in Section 2.1. All changes in valuation shall be measured net of any tax effect.

Circular Letter No. 2017-30, Regulatory Requirements and Actions for the New Regulatory Framework (Life Insurance Business)
The cumulative prior year impact of the changes arising from the adoption of the New Financial Reporting Framework, including the change in the valuation basis from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) as well as any change in assumptions under GPV computed based on the new valuation standards for life insurance policy reserves as provided under CL No. 2016-66, shall be recognized in Retained Earnings – Transition Adjustments account except for items listed in Section 2.1. All changes in valuation shall be measured net of any tax effect.

Circular Letter 2018-18, Valuation Standards for Non-Life Insurance Policy Reserves, prescribes the new valuation methodology for the non-life insurance companies. This CL supersedes CL No. 2016-67 and amends CL No. 2015-06 "New Reserves Computation for the Compulsory Insurance Coverage for Migrant Workers." CL No. 2018-18 was further supplemented by CL No. 2018-76, Discount Rates for Non-Life Insurance Policy Reserves as of 31 December 2018, prescribing the use of Peso spot and forward rates derived from the PHP BVAL Reference rates from Bloomberg and the Dollar spot and forward rates derived from the International Yield Curve from Bloomberg for Peso-denominated and US Dollar-denominated policies, respectively.

Circular Letter No. 2020-103, Amendment to Section 1 of Circular Letter No. 2020-60 dated 15 May 2020 on "Regulatory Relief on Net Worth Requirements and Guidelines on the Implementation of Amended Risk-Based Capital (RBC2) Framework for Calendar Year 2020"

All insurance companies already compliant with the net worth requirements as of December 31, 2019 under Section 194 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, that are adversely affected by the crisis are required to comply with CL No. 2016-68 (Amended Risk-Based Capital Framework) and Revised Regulatory Intervention (RBC ratio) as follows:

RBC Ratio (Y)	Event	Action
100% and above		No regulatory action needed
$75\% \leq Y < 100\%$	Trend Tests	Company required to submit linear extrapolation of the RBC ratio for the next period. If the RBC ratio falls below 75%, move to Company Action Event

RBC Ratio (Y)	Event	Action
50% ≤ Y < 75%	Company Action	Company required to submit RBC plan and financial projections and implement the plan accordingly
25% ≤ Y < 50%	Regulatory Action	IC authorized to issue Corrective Orders
Y < 25%	Authorized and Mandatory Action	IC authorized and required to take control of the Company

Circular Letter No. 2024-04, Disclosure requirements for companies that will not early adopt PFRS17 ("NON-EARLY ADOPTERS"). Non-early adopters must disclose in the notes to the financial statements the disclosure requirements of Philippine Accounting Standard B – Accounting Policies, Changes in Accounting Estimates, and Errors ("PAS B") as regards the impending adoption of new accounting standards, (e.g., PFRS 17) for the years ending 31 December 2023 and 2024. However, once the non-early adopters implement PFRS 17, they shall be required to provide IC-specific disclosures to be presented in a separate supplemental report to the Financial Statements.

Insurance Risk

a. Life Insurance Contracts

The risk under an insurance contract is the risk that an insured event will occur, including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid that are greater than those originally estimated, and subsequent development of long-term claims.

Terms and conditions

The Company principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for a pre-determined amount. Life insurance contracts offered by the Company mainly include whole life, term insurance, endowments and unit-linked products. Whole life and term insurance are conventional products where lump sum benefits are payable on death. Endowment products are investments/savings products where lump sum benefits are payable after a fixed period or on death before the period is completed. Unit-linked products differ from conventional policies in that a guaranteed percentage of each premium is allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.

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

Underwriting risk

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks are brought about by a combination of the following:

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

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategy and guidelines.

The business of the Company consists of underwriting life insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

These risks currently do not vary significantly in relation to the location of the risk insured by the Company whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company has an objective to control and minimize insurance risk to reduce volatility of operating profits. The Company manages insurance risk through the following mechanisms:

- The use and maintenance of sophisticated management information systems that provide up to date, accurate and reliable data on risk exposure at any point in time.
- The use of actuarial models based on past experience and statistical techniques to aid in pricing decisions and monitoring claims pattern.
- Issuance of guidelines for concluding insurance contracts and assuming insurance risks.
- Pro-active compliance of claims handling procedures to investigate and adjust claims, thereby preventing settlement of dubious or fraudulent claims.
- The use of reinsurance to limit the Company's exposure to large claims by placing risk with re-insurers providing high security.
- Diversification to achieve sufficiently large population of risks to reduce the variability of the expected outcome. The diversification strategy seeks to ensure that underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

The mix of insurance assets is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match the expected pattern of claim payments with the maturity dates of assets.

Insurance risk is also affected by the policyholders' rights to terminate the contract, pay reduced premiums, refusal to pay premiums or to avail of the guaranteed annuity option. Thus, the insurance risk is subject to the policyholders' behavior and decisions.

Using the amounts in the legal policy reserves (see Note 16), the Company's concentration of insurance risk before and after reinsurance in relation to the type of insurance contract follows:

	2025	2024
Whole Life		
Gross	**₱6,619,708,507**	₱4,968,661,259
Net	**6,415,418,308**	4,768,089,058
Endowment		
Gross	**4,377,009,754**	4,411,555,952
Net	**4,376,963,259**	4,411,532,421
Cost of insurance		
Gross	**1,691,577,757**	1,762,947,511
Net	**1,643,984,567**	1,712,716,468

(*Forward*)

	2025	2024
Term insurance		
Gross	**₱497,495,947**	₱458,955,234
Net	**494,294,296**	456,024,490
Group insurance		
Gross	**157,462,057**	137,676,321
Net	**107,635,710**	90,011,119
Rider		
Gross	**145,807,054**	74,432,346
Net	**137,363,957**	65,538,884
Total		
Gross	**13,489,061,076**	11,814,228,623
Net	**13,175,660,097**	11,503,912,440

b. Non-life Insurance Contracts

The risk under insurance contracts is the possibility of occurrence of insured event and uncertainty of the amount and timing of resulting claims. The principal risk the Company faces under such contracts is that the actual claims exceed the carrying amount of insurance liabilities. This could occur due to any of the following:

- Occurrence risk - the possibility that the number of insured events will differ from those expected.
- Severity risk - the possibility that the cost of the events will differ from those expected.
- Development risk - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The variability of risks can also be improved by careful selection and implementation of underwriting strategy and guidelines.

The business of the Company comprises short-term nonlife insurance contracts. For general insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc. These risks currently do not vary significantly in relation to the location of the risk insured by the Company whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

Reinsurance

The Group limits its exposure to loss within insurance operations through participation in reinsurance arrangements. The majority of the business ceded is placed on a quota-share basis with retention limits varying by product line and territory. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statements of financial position as reinsurance assets.

Even though the Company may have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus, a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Company is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any reinsurance contract.

The following table sets out the concentration of the claims liabilities by type of contract:

	2025		
	Gross Liabilities	**Reinsurers' Share of Liabilities***	**Net Liabilities**
Fire	**₱1,879,183,599**	**₱1,550,590,033**	**₱328,593,566**
Motorcar	**836,079,599**	**159,762,904**	**676,316,695**
Marine	**110,347,860**	**43,198,912**	**67,148,948**
Engineering	**246,661,565**	**190,783,099**	**55,878,466**
Bonds	**160,361,813**	**136,826,788**	**23,535,025**
Casualty	**123,644,484**	**102,119,382**	**21,525,102**
Accident	**54,480,183**	**35,992,966**	**18,487,217**
	₱3,410,759,103	**₱2,219,274,084**	**₱1,191,485,019**

**gross of allowance*

	2024		
	Gross Liabilities	Reinsurers' Share of Liabilities*	Net Liabilities
Fire	₱2,272,871,280	₱2,044,380,027	₱228,491,253
Motorcar	945,146,092	38,628,214	906,517,878
Marine	108,996,737	45,471,359	63,525,378
Engineering	299,053,950	205,283,007	93,770,943
Bonds	149,869,695	126,708,692	23,161,003
Casualty	126,280,441	100,292,163	25,988,278
Accident	72,758,040	30,466,058	42,291,982
	₱3,974,976,235	₱2,591,229,520	₱1,383,746,715

**gross of allowance*

Terms and Conditions
The major classes of general insurance written by the Company include motor, fire and marine insurance. Risks under these policies usually cover 12-month duration.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and IBNR) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the end of the reporting period.

The provisions are refined quarterly as part of a regular ongoing process as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Claims provisions are separately analyzed by class of business. In addition, larger claims are usually either separately assessed by loss adjusters. The claims projection assumptions are generally intended to provide a best estimate of the most likely or expected outcome.

Assumptions
The principal assumption underlying the estimates is the Company's past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example once off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities
The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions such as legislative change, uncertainty in the estimation process, etc., is not possible to quantify.

The analysis below is performed for a reasonable possible movement in key assumptions with all other assumptions held constant, on the consolidated statements of comprehensive income and equity.

	2025				
	Change in assumptions	**Increase (decrease) in gross liabilities**	**Increase (decrease) in net liabilities**	**Increase (decrease) in profit before tax**	**Increase (decrease) in equity**
Average claim cost	**-4.52%**	**(₱154,274,771)**	**(₱53,893,011)**	**₱53,893,011**	**₱40,419,758**
Average number of claims	**-1.08%**	**(36,678,022)**	**(12,812,782)**	**12,812,782**	**9,609,587**

	2024				
	Change in assumptions	Increase (decrease) in gross liabilities	Increase (decrease) in net liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Average claim cost	-1.89%	(₱75,115,617)	(₱26,148,833)	₱26,148,833	₱19,611,625
Average number of claims	-5.30%	(210,598,024)	(73,312,218)	73,312,218	54,984,164

Claims Development Table
Reproduced below are the tables showing the development of claims over a period of time on a gross and net reinsurance basis for fire, engineering, bonds, motorcar, marine, personal accident and casualty lines.

The tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each end of the reporting period, together with cumulative payments to date.

Gross general insurance contract liabilities for 2025

Accident year	2016 and prior	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of ultimate claims costs:											
At the end of accident year	**₱13,061,759,113**	**₱2,656,448,702**	**₱3,480,606,464**	**₱3,544,628,454**	**₱1,674,778,395**	**₱1,630,028,134**	**₱1,121,481,781**	**₱985,502,198**	**₱1,198,196,952**	**₱1,404,972,383**	**₱1,404,972,383**
One year later	**14,271,380,363**	**2,789,414,948**	**3,537,860,707**	**3,571,055,540**	**1,604,534,974**	**2,784,091,590**	**1,074,690,842**	**968,115,560**	**1,209,222,994**	**-**	**1,209,222,994**
Two years later	**14,015,471,544**	**2,666,436,105**	**3,576,609,741**	**3,445,160,674**	**1,546,623,919**	**2,729,958,125**	**1,079,987,635**	**969,186,830**	**-**	**-**	**969,186,830**
Three years later	**14,349,290,124**	**2,650,204,223**	**3,547,994,771**	**3,430,024,452**	**1,535,805,364**	**2,695,698,947**	**1,075,603,391**	**-**	**-**	**-**	**1,075,603,391**
Four years later	**13,789,377,384**	**2,581,523,623**	**3,572,936,431**	**3,414,352,530**	**1,542,398,211**	**2,700,750,622**	**-**	**-**	**-**	**-**	**2,700,750,622**
Five years later	**13,713,454,815**	**2,591,250,128**	**3,571,236,504**	**3,407,370,362**	**1,541,469,400**	**-**	**-**	**-**	**-**	**-**	**1,541,469,400**
Six years later	**13,822,439,695**	**2,584,246,994**	**3,553,888,995**	**3,386,826,367**	**-**	**-**	**-**	**-**	**-**	**-**	**3,386,826,367**
Seven years later	**13,588,304,223**	**2,583,338,877**	**3,546,830,816**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,546,830,816**
Eight years later	**13,598,663,565**	**2,554,476,784**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,554,476,784**
Nine years later	**14,135,847,787**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,135,847,787**
Current estimate of cumulative claims	**14,135,847,787**	**2,554,476,784**	**3,546,830,816**	**3,386,826,367**	**1,541,469,400**	**2,700,750,622**	**1,075,603,391**	**969,186,830**	**1,209,222,994**	**1,404,972,383**	**32,525,187,374**
Cumulative payments to date	**13,184,765,550**	**2,538,067,184**	**3,539,905,756**	**3,314,991,457**	**1,536,196,692**	**2,683,968,216**	**1,066,235,089**	**962,535,990**	**1,183,803,595**	**792,996,474**	**30,803,466,003**
Total gross insurance liabilities included in the statement of financial position (Note 16)	**₱951,082,237**	**₱16,409,600**	**₱6,925,060**	**₱71,834,910**	**₱5,272,708**	**₱16,782,406**	**₱9,368,302**	**₱6,650,840**	**₱25,419,399**	**₱611,975,909**	**₱1,721,721,371**

Net general insurance contract liabilities for 2025

Accident year	2016 and prior	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of ultimate claims costs:											
At the end of accident year	**₱9,097,698,056**	**₱1,813,246,675**	**₱2,278,514,311**	**₱2,479,547,862**	**₱1,466,416,720**	**₱1,343,652,559**	**₱1,015,588,380**	**₱928,694,145**	**₱1,031,627,374**	**₱1,238,110,370**	**₱1,238,110,370**
One year later	**8,285,257,231**	**1,989,127,453**	**2,522,969,840**	**2,604,065,515**	**1,404,687,705**	**1,494,634,454**	**990,847,394**	**900,871,352**	**1,064,460,047**	**-**	**1,064,460,047**
Two years later	**7,692,924,633**	**1,952,065,037**	**2,389,024,916**	**2,460,735,643**	**1,353,137,339**	**1,478,738,884**	**1,003,947,386**	**905,307,993**	**-**	**-**	**905,307,993**
Three years later	**7,499,432,689**	**1,903,172,605**	**2,367,683,365**	**2,516,693,129**	**1,348,919,359**	**1,480,139,321**	**1,003,242,358**	**-**	**-**	**-**	**1,003,242,358**
Four years later	**7,358,764,387**	**1,929,228,020**	**2,337,279,322**	**2,519,784,360**	**1,359,534,544**	**1,480,745,414**	**-**	**-**	**-**	**-**	**1,480,745,414**
Five years later	**7,502,880,547**	**1,924,486,828**	**2,336,141,350**	**2,520,457,760**	**1,359,926,013**	**-**	**-**	**-**	**-**	**-**	**1,359,926,013**
Six years later	**7,478,595,625**	**1,926,986,485**	**2,336,897,762**	**2,517,238,463**	**-**	**-**	**-**	**-**	**-**	**-**	**2,517,238,463**
Seven years later	**7,443,830,652**	**1,925,783,776**	**2,338,543,190**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,338,543,190**
Eight years later	**7,449,195,738**	**1,917,862,714**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,917,862,714**
Nine years later	**7,487,083,793**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,487,083,793**
Current estimate of cumulative claims	**7,487,083,793**	**1,917,862,714**	**2,338,543,190**	**2,517,238,463**	**1,359,926,013**	**1,480,745,414**	**1,003,242,358**	**905,307,993**	**1,064,460,047**	**1,238,110,370**	**21,312,520,355**
Cumulative payments to date	**7,409,818,399**	**1,915,340,929**	**2,337,979,564**	**2,508,907,187**	**1,357,500,084**	**1,479,937,959**	**999,171,139**	**903,400,815**	**1,051,566,004**	**769,106,354**	**20,732,728,434**
Total net insurance liabilities included in the statement of financial position (Note 16)	**₱77,265,394**	**₱2,521,785**	**₱563,626**	**₱8,331,276**	**₱2,425,929**	**₱807,455**	**₱4,071,219**	**₱1,907,178**	**₱12,894,043**	**₱469,004,016**	**₱579,791,921**

Gross general insurance contract liabilities for 2024

Accident year	2015 and prior	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of ultimate claims costs:											
At the end of accident year	₱10,936,850,417	₱2,124,908,695	₱2,656,448,702	₱3,480,606,464	₱3,544,628,454	₱1,674,778,395	₱1,630,028,134	₱1,121,481,781	₱985,502,198	₱1,198,196,952	₱1,198,196,952
One year later	12,164,741,832	2,106,638,531	2,789,414,948	3,537,860,707	3,571,055,540	1,604,534,974	2,784,091,590	1,074,690,842	968,115,560	-	968,115,560
Two years later	11,986,905,586	2,028,565,958	2,666,436,105	3,576,609,741	3,445,160,674	1,546,623,919	2,729,958,125	1,079,987,635	-	-	1,079,987,635
Three years later	12,327,250,844	2,022,039,280	2,650,204,223	3,547,994,771	3,430,024,452	1,535,805,364	2,695,698,947	-	-	-	2,695,698,947
Four years later	11,786,290,469	2,003,086,914	2,581,523,623	3,572,936,431	3,414,352,530	1,542,398,211	-	-	-	-	1,542,398,211
Five years later	11,762,108,090	1,951,346,725	2,591,250,128	3,571,236,504	3,407,370,362	-	-	-	-	-	3,407,370,362
Six years later	11,825,697,833	1,996,741,862	2,584,246,994	3,553,888,995	-	-	-	-	-	-	3,553,888,995
Seven years later	11,595,336,666	1,992,967,557	2,583,338,877	-	-	-	-	-	-	-	2,583,338,877
Eight years later	11,610,357,135	1,988,306,430	-	-	-	-	-	-	-	-	1,988,306,430
Nine years later	12,286,245,239	-	-	-	-	-	-	-	-	-	12,286,245,239
Current estimate of cumulative claims	12,286,245,239	1,988,306,430	2,583,338,877	3,553,888,995	3,407,370,362	1,542,398,211	2,695,698,947	1,079,987,635	968,115,560	1,198,196,952	31,303,547,208
Cumulative payments to date	10,806,799,046	1,943,850,982	2,536,704,415	3,537,595,111	3,311,199,091	1,529,105,558	2,678,865,382	1,056,065,278	940,955,667	713,683,852	29,054,824,382
Total gross insurance liabilities included in the statement of financial position (Note 16)	₱1,479,446,193	₱44,455,448	₱46,634,462	₱16,293,884	₱96,171,271	₱13,292,653	₱16,833,565	₱23,922,357	₱27,159,893	₱484,513,100	₱2,248,722,826

Net general insurance contract liabilities for 2024

Accident year	2015 and prior	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of ultimate claims costs:											
At the end of accident year	₱7,351,719,638	₱1,745,978,418	₱1,813,246,675	₱2,278,514,311	₱2,479,547,862	₱1,466,416,720	₱1,343,652,559	₱1,015,588,380	₱928,694,145	₱1,031,627,374	₱1,031,627,374
One year later	6,528,186,185	1,757,071,046	1,989,127,453	2,522,969,840	2,604,065,515	1,404,687,705	1,494,634,454	990,847,394	900,871,352	-	900,871,352
Two years later	5,974,403,712	1,718,520,921	1,952,065,037	2,389,024,916	2,460,735,643	1,353,137,339	1,478,738,884	1,003,947,386	-	-	1,003,947,386
Three years later	5,781,330,367	1,718,102,322	1,903,172,605	2,367,683,365	2,516,693,129	1,348,919,359	1,480,139,321	-	-	-	1,480,139,321
Four years later	5,631,959,500	1,726,804,887	1,929,228,020	2,337,279,322	2,519,784,360	1,359,534,544	-	-	-	-	1,359,534,544
Five years later	5,768,484,595	1,734,395,952	1,924,486,828	2,336,141,350	2,520,457,760	-	-	-	-	-	2,520,457,760
Six years later	5,744,875,632	1,733,719,993	1,926,986,485	2,336,897,762	-	-	-	-	-	-	2,336,897,762
Seven years later	5,707,155,150	1,736,675,502	1,925,783,776	-	-	-	-	-	-	-	1,925,783,776
Eight years later	5,706,026,699	1,743,169,038	-	-	-	-	-	-	-	-	1,743,169,038
Nine years later	5,744,789,862	-	-	-	-	-	-	-	-	-	5,744,789,862
Current estimate of cumulative claims	5,744,789,862	1,743,169,038	1,925,783,776	2,336,897,762	2,520,457,760	1,359,534,544	1,480,139,321	1,003,947,386	900,871,352	1,031,627,374	20,047,218,175
Cumulative payments to date	5,679,208,458	1,731,531,015	1,914,045,486	2,335,858,245	2,507,421,659	1,350,546,004	1,478,170,710	994,313,396	887,762,062	651,794,512	19,530,651,547
Total net insurance liabilities included in the statement of financial position (Note 16)	₱65,581,404	₱11,638,023	₱11,738,290	₱1,039,517	₱13,036,101	₱8,988,540	₱1,968,611	₱9,633,990	₱13,109,290	₱379,832,862	₱516,566,628

Investment Risk

The investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments. Additionally, there exists a future investment risk associated with certain policies currently in force which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below than that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future premium receipts while continuing to maintain satisfactory investment quality.

The Company utilizes dynamic asset allocation strategies consistent with its risk appetite framework to manage investment risk and to ensure sustainable investment returns. As a management tool, the Company uses asset-liability matching to determine the composition of the invested assets and appropriate investment and marketing strategies. As part of these strategies, the Company may determine that it is economically advantageous to be temporarily in an unmatched position due to anticipated interest rate or other economic changes.

Fair Value of Financial Instruments

Non-linked

Cash and cash equivalents, insurance receivables, accrued income, short-term loans and receivables, premium deposit fund, insurance payables, life insurance deposits, lease liability and trade and other liabilities

Carrying amounts approximate the fair values due to the relatively short-term maturities of these amounts.

Amounts due from and due to related parties

Carrying amounts of due from and due to related parties, which are payable on demand approximate their fair values.

Financial assets at FVPL and AFS financial assets

The fair value of financial assets at FVPL and AFS financial assets that are actively traded in organized financial markets are determined by reference to quoted market bid prices, at the close of business on the reporting date, or the last trading day as applicable.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, these investments are carried at cost.

Unit-linked

Cash and cash equivalents, interest receivable, dividend receivable, accounts receivable and other financial liabilities

Carrying amounts approximate the fair values due to the relatively short-term maturities of these instruments.

Financial assets at FVPL

Fair values of financial assets designated as at FVPL that are actively traded in organized financial markets are determined by reference to quoted market bid prices, at the close of business on the reporting date, or the last trading day as applicable.

Fair value hierarchy

The Company classifies its non-linked financial assets at fair value as follows:

	December 31, 2025				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial assets at FVPL					
Listed equity securities	**₱858,504,230**	**₱858,504,230**	**₱–**	**₱–**	**₱858,504,230**
Investment in unit-linked funds	**453,523,795**	**–**	**453,523,795**	**–**	**453,523,795**
Unit investment trust funds	**705,704,716**	**–**	**705,704,716**	**–**	**705,704,716**
Government debt securities	**76,042,051**	**–**	**76,042,051**	**–**	**76,042,051**
AFS financial assets					
Government debt securities	**25,696,599,688**	**17,091,733,080**	**8,604,866,608**		**25,696,599,688**
Corporate debt securities	**1,778,688,685**	**1,778,688,685**	**–**	**–**	**1,778,688,685**
Quoted equity securities:					
Common shares	**158,865,633**	**158,865,633**	**–**	**–**	**158,865,633**
Club shares	**17,700,000**		**17,500,000**	**200,000**	**17,700,000**
	₱29,745,628,798	**₱19,887,791,628**	**₱9,857,637,170**	**₱200,000**	**₱29,745,628,798**

	December 31, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial assets at FVPL					
Listed equity securities	₱1,208,139,131	₱1,208,139,131	₱–	₱–	₱1,208,139,131
Investment in unit-linked funds	382,497,740	–	382,497,740	–	382,497,740
Unit investment trust funds	102,690,824	–	102,690,824	–	102,690,824
Government debt securities	76,710,763	–	76,710,763	–	76,710,763
AFS financial assets					
Government debt securities	23,103,190,942	14,010,274,815	9,092,916,127	–	23,103,190,942
Corporate debt securities	1,812,371,329	1,812,371,329	–	–	1,812,371,329
Quoted equity securities:					
Common shares	180,119,488	180,119,488	–	–	180,119,488
Club shares	17,500,000	–	17,300,000	200,000	17,500,000
	₱26,883,220,217	₱17,210,904,763	₱9,672,115,454	₱200,000	₱26,883,220,217

The Company classifies its unit-linked financial assets at fair value as follows:

	December 31, 2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial assets at FVPL					
Debt securities	**₱8,661,480,917**	**₱–**	**₱8,661,480,917**	**₱–**	**₱8,661,480,917**
Equity securities	**35,149,266,365**	**35,149,266,365**	**–**	**–**	**35,149,266,365**
Exchange-traded funds	**88,111,634,947**	**–**	**88,111,634,947**	**–**	**88,111,634,947**
Unit investment trust funds	**10,855,475,964**	**–**	**10,855,475,964**	**–**	**10,855,475,964**
Real estate investment trust	**4,823,043,134**	**–**	**4,823,043,134**	**–**	**4,823,043,134**
	₱147,600,901,327	**₱35,149,266,365**	**₱112,451,634,962**	**₱–**	**₱147,600,901,327**

	December 31, 2024				
	Carrying value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial assets at FVPL					
Debt securities	₱9,037,627,291	₱–	₱9,037,627,291	₱–	₱9,037,627,291
Equity securities	45,680,064,023	45,680,064,023	–	–	45,680,064,023
Exchange-traded funds	71,041,251,899	–	71,041,251,899	–	71,041,251,899
Unit investment trust funds	11,664,916,671	–	11,664,916,671	–	11,664,916,671
Real estate investment trust	3,058,586,510	–	3,058,586,510	–	3,058,586,510
	₱140,482,446,394	₱45,680,064,023	₱94,802,382,371	₱–	₱140,482,446,394

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As of December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

Fair value disclosure under the Amendments to PFRS 4
The table below presents an analysis of the fair value of classes of financial assets as of December 31, 2025 and 2024, as well as the corresponding change in fair value for the years ended December 31, 2025 and 2024. In the table below, the amortized cost of cash and cash equivalents and short-term receivables has been used as a reasonable approximation to fair value.

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

	2025			
	SPPI financial assets		**Other financial assets**	
Financial asset	**Fair value**	**Fair value change**	**Fair value**	**Fair value change**
Cash and cash equivalents	**₱9,608,841,664**	**₱–**	**₱426,000**	**₱–**
Insurance receivables	**2,788,847,944**	**–**	**–**	**–**
Financial asset at FVPL	**76,042,051**	**(668,712)**	**2,017,732,741**	**(118,834,185)**
AFS financial assets	**27,475,288,373**	**68,954,210**	**176,622,283**	**2,304,076**
Loans and receivables	**1,121,514,448**	**–**	**–**	**–**
Accrued income	**444,373,713**	**–**	**–**	**–**
	₱41,514,908,193	**₱68,285,498**	**₱2,194,781,024**	**(₱116,530,109)**

	2024			
	SPPI financial assets		Other financial assets	
Financial asset	Fair value	Fair value change	Fair value	Fair value change
Cash and cash equivalents	₱7,756,610,382	₱–	₱485,000	₱–
Insurance receivables	1,723,310,453	–	–	–
Financial asset at FVPL	76,710,763	(1,790,138)	1,693,327,695	(2,905,007)
AFS financial assets	24,915,562,271	3,064,293	197,676,138	12,865,601
Loans and receivables	1,186,853,919	–	–	–
Accrued income	382,774,105	–	–	–
	₱36,041,821,893	₱1,274,155	₱1,891,488,833	₱9,960,594

Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities, insurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts.

The most important components of this financial risk are credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages the level of credit risk it accepts through a comprehensive credit risk policy which focuses on minimizing credit risk exposures. The credit risk policies are set as follows:

a. Concentration limit - The Company sets maximum exposure to an individual issuer and to a particular sector.
b. Counterparty ratings - The Company reviews and recommends financial institutions that will complement over-all investment objectives and service requirements.

Reporting of credit risk exposures, monitoring compliance with credit risk policy and review of credit risk policy is done on a regular basis.

Loans to policyholders granted against the surrender value of policies carry substantially no credit risk. A credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer may be unable to meet its obligations assumed under such reinsurance agreements. The Company selects only domestic and foreign companies with strong financial standing and excellent track records which are allowed to participate in the Company's reinsurance programs. In respect of investment securities, the Company secures satisfactory credit quality by setting maximum limits of portfolio securities with a single issuer or group of issuers, excluding those secured on specific assets and setting the minimum ratings for the issuer or group of issuers. The Company sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long-term ratings.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position:

Non-linked

	2025	2024
Cash and cash equivalents*	**₱9,608,841,664**	₱7,756,610,382
Insurance receivables		
Premiums due and uncollected	**1,483,795,431**	1,128,113,870
Due from reinsurers	**859,631,961**	419,350,488
Reinsurance recoverable on paid losses	**738,417,737**	392,292,384
Bonds recoverable on paid losses	**28,149,702**	28,149,702
Funds held by ceding companies	**20,275,084**	18,404,208
Financial assets at FVPL		
Government debt securities	**76,042,051**	76,710,763
AFS financial assets		
Government debt securities	**25,696,599,688**	23,103,190,942
Corporate debt securities	**1,778,688,685**	1,812,371,329

(Forward)

	2025	2024
Loans and receivables		
Due from unit-linked funds	**₱188,652,488**	₱296,008,088
Policy loan	**510,349,733**	459,545,380
Intercompany receivables	**270,109,629**	284,649,004
Due from officers and employees	**146,067,436**	125,625,148
Due from agents	**19,687,410**	37,205,278
Other receivables	**6,389,510**	11,030,885
Accrued income	**444,373,713**	382,774,105
	₱41,876,071,922	₱36,332,031,956

**Excluding cash on hand*

Unit-linked

	2025	2024
Cash and cash equivalents	**₱1,434,266,060**	₱1,243,239,119
Financial assets at FVPL		
Debt securities	**8,661,480,917**	9,037,627,291
Investment income due and accrued	**140,196,202**	147,947,004
Accounts receivable	**108,898,883**	356,105,692
	₱10,344,842,062	₱10,784,919,106

The Company's investment policy mandates it to invest only in investment grade bonds. The peso funds are invested in cash and money market instruments, Philippine Government Bonds, corporate bonds (investment grade) and equities of Philippine corporations included in the Philippine Stock Exchange (PSE).

The dollar funds are invested in dollar-denominated cash and money market instruments, dollar-denominated fixed income investments, particular issuances of the Philippine government, and dollar-denominated corporate bonds (investment grade).

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

	December 31, 2025				
	Neither Past-Due nor Impaired				
	Investment Grade	Non-investment Grade: Satisfactory	Past Due Not Impaired	Past Due and Impaired	Total
Cash and cash equivalents*	**₱9,599,045,719**	**₱9,795,945**	**₱–**	**₱–**	**₱9,608,841,664**
Insurance receivables					
Premiums due and uncollected	–	**970,135,668**	**386,305,966**	**127,353,797**	**1,483,795,431**
Due from reinsurers	**1,696,181**	**166,916,207**	**687,093,616**	**3,925,957**	**859,631,961**
Reinsurance recoverable on paid losses	**498,434,553**	**5,828,791**	**52,161,878**	**181,992,515**	**738,417,737**
Bonds recoverable on paid losses	–	–	–	**28,149,702**	**28,149,702**
Fund held by ceding companies	–	**20,275,084**	–	–	**20,275,084**
Financial assets at FVPL					
Government debt securities	**76,042,051**	–	–	–	**76,042,051**
AFS financial assets					
Government debt securities	**25,696,599,688**	–	–	–	**25,696,599,688**
Corporate debt securities	**1,778,688,685**	–	–	–	**1,778,688,685**
Loans and receivables					
Policy loans	–	**510,349,733**	–	–	**510,349,733**
Due from unit-linked funds	–	**188,652,488**	–	–	**188,652,488**
Intercompany receivables	–	**270,109,629**	–	–	**270,109,629**
Due from officers and employees	–	**105,185,783**	**24,401,363**	**16,480,290**	**146,067,436**
Due from agents	–	**17,921,876**	–	**1,765,534**	**19,687,410**
Other receivables	–	**4,893,576**	–	**1,495,934**	**6,389,510**
Accrued income	**423,662,006**	**20,711,707**	–	–	**444,373,713**
	₱38,074,168,883	**₱2,290,776,487**	**₱1,149,962,823**	**₱361,163,729**	**₱41,876,071,922**

**Excluding cash on hand*

	December 31, 2024				
	Neither Past-Due nor Impaired				
	Investment Grade	Non-investment Grade: Satisfactory	Past Due Not Impaired	Past Due and Impaired	Total
Cash and cash equivalents*	₱7,735,172,007	₱21,438,375	₱–	₱–	₱7,756,610,382
Insurance receivables					
Premiums due and uncollected	–	812,551,402	233,343,555	82,218,913	1,128,113,870
Due from reinsurers	496,170	162,880,133	252,048,228	3,925,957	419,350,488
Reinsurance recoverable on paid losses	149,045,986	201,951	94,338,820	148,705,627	392,292,384
Bonds recoverable on paid losses	–	–	–	28,149,702	28,149,702
Fund held by ceding companies	–	18,404,208	–	–	18,404,208
Financial assets at FVPL					
Government debt securities	76,710,763	–	–	–	76,710,763
AFS financial assets					
Government debt securities	23,103,190,942	–	–	–	23,103,190,942
Corporate debt securities	1,812,371,329	–	–	–	1,812,371,329
Loans and receivables					
Policy loans	–	459,545,380	–	–	459,545,380
Due from unit-linked funds	–	296,008,088	–	–	296,008,088
Intercompany receivables	–	284,649,004	–	–	284,649,004
Due from agents	–	66,850,691	34,705,748	24,068,709	125,625,148
Due from officers and employees	–	35,439,744	–	1,765,534	37,205,278
Other receivables	–	9,655,264	–	1,375,621	11,030,885
Accrued income	364,132,646	18,641,459	–	–	382,774,105
	₱33,241,119,843	₱2,186,265,699	₱614,436,351	₱290,210,063	₱36,332,031,956

**Excluding cash on hand*

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

	December 31, 2025				
	Neither Past Due nor Impaired				
	Investment Grade	**Non-investment Grade Satisfactory**	**Past Due Not Impaired**	**Past Due or Impaired**	**Total**
Cash and cash equivalents	**₱1,434,266,060**	**₱–**	**₱–**	**₱–**	**₱1,434,266,060**
Financial assets at FVPL					
Debt securities	**8,661,480,917**	**–**	**–**	**–**	**8,661,480,917**
Investment income due and accrued	**140,196,202**	**–**	**–**	**–**	**140,196,202**
Accounts receivable	**108,898,883**	**–**	**–**	**–**	**108,898,883**
	₱10,344,842,062	**₱–**	**₱–**	**₱–**	**₱10,344,842,062**

	December 31, 2024				
	Neither Past Due nor Impaired				
	Investment Grade	Non-investment Grade: Satisfactory	Past Due Not Impaired	Past Due or Impaired	Total
Cash and cash equivalents	₱1,243,239,119	₱–	₱–	₱–	₱1,243,239,119
Financial assets at FVPL					
Debt securities	9,037,627,291	–	–	–	9,037,627,291
Investment income due and accrued	147,947,004	–	–	–	147,947,004
Accounts receivable	356,105,692	–	–	–	356,105,692
	₱10,784,919,106	₱–	₱–	₱–	₱10,784,919,106

The Company uses a credit rating concept based on the borrowers' and counterparties' overall creditworthiness, as follows:

Investment grade - Rating given to counterparties who possess strong to very strong capacity to meet their obligations.

Non-investment grade - Rating given to counterparties who possess above average capacity to meet their obligations.

The table below shows the analysis of age of financial assets that are past-due but are not impaired:

	2025					
	Age analysis of financial assets past-due but not impaired			Total past due but not impaired	Past-due and impaired	Total
	1 to 30 days	31 to 90 days	Over 90 days			
Insurance receivables:						
Premiums due and uncollected	**₱221,000,394**	**₱79,227,889**	**₱86,077,683**	**₱386,305,966**	**₱127,353,797**	**₱513,659,763**
Reinsurance recoverable on paid losses	**1,926,450**	**2,649,333**	**47,586,095**	**52,161,878**	**181,992,515**	**234,154,393**
Due from reinsurers	**109,554,371**	**146,159,232**	**431,380,013**	**687,093,616**	**3,925,957**	**691,019,573**
Bonds recoverable on paid losses	**–**	**–**	**–**	**–**	**28,149,702**	**28,149,702**
Loans and receivables						
Due from officers and employees	**12,429,609**	**757,627**	**11,214,127**	**24,401,363**	**16,480,290**	**40,881,653**
Due from agents	**–**	**–**	**–**	**–**	**1,765,534**	**1,765,534**
Other receivables	**–**	**–**	**–**	**–**	**1,495,934**	**1,495,934**
Total	**₱344,910,824**	**₱228,794,081**	**₱576,257,918**	**₱1,149,962,823**	**₱361,163,729**	**₱1,511,126,552**

	2024					
	Age analysis of financial assets past-due but not impaired			Total past due but not impaired	Past-due and impaired	Total
	1 to 30 days	31 to 90 days	Over 90 days			
Insurance receivables:						
Premiums due and uncollected	₱120,920,313	₱57,046,537	₱55,376,705	₱233,343,555	₱82,218,913	₱315,562,468
Reinsurance recoverable on paid losses	108,226	4,143,422	90,087,172	94,338,820	148,705,627	243,044,447
Due from reinsurers	33,038,115	36,655,683	182,354,430	252,048,228	3,925,957	255,974,185
Bonds recoverable on paid losses	–	–	–	–	28,149,702	28,149,702
Loans and receivables						
Due from officers and employees	1,627,038	1,961,168	31,117,542	34,705,748	24,068,709	58,774,457
Due from agents	–	–	–	–	1,765,534	1,765,534
Other receivables	–	–	–	–	1,375,621	1,375,621
Total	₱155,693,692	₱99,806,810	₱358,935,849	₱614,436,351	₱290,210,063	₱904,646,414

The Company conducts a periodic review of allowance for credit and impairment losses based on the corresponding age of past due accounts, payment behavior, credit capacity and length of relationship with the counterparty.

The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties, geographical and industry segments as of December 31, 2025 and 2024.

Credit risk disclosure under the Amendments to PFRS 4
The following table shows the carrying amount of the SPPI assets included in the table above by credit risk rating grades reported to key management personnel. The carrying amount is measured in accordance with PAS 39. For assets measured at amortized cost, the carrying amount shown is gross of impairment allowance.

	2025				
SPPI Financial asset	**Investment Grade**	**Non-investment grade: Satisfactory**	**Past Due Not Impaired**	**Past Due and Impaired**	**Total**
Cash and cash equivalents	**₱9,608,841,664**	**₱–**	**₱–**	**₱–**	**₱9,608,841,664**
Insurance receivables	**–**	**2,788,847,944**	**–**	**341,421,971**	**3,130,269,915**
AFS financial assets	**27,475,288,373**	**–**	**–**	**–**	**27,475,288,373**
Loans and receivables	**–**	**1,097,113,085**	**24,401,363**	**19,741,758**	**1,141,256,206**
Accrued income	**423,662,006**	**20,711,707**	**–**	**–**	**444,373,713**

	2024				
SPPI Financial asset	Investment grade	Non-investment grade: Satisfactory	Past Due Not Impaired	Past Due and Impaired	Total
Cash and cash equivalents	₱7,756,610,382	₱–	₱–	₱–	₱7,756,610,382
Insurance receivables	–	1,723,310,453	–	263,000,199	1,986,310,652
AFS financial assets	24,915,562,271	–	–	–	24,915,562,271
Loans and receivables	–	1,152,148,171	34,705,748	27,209,864	1,214,063,783
Accrued income	364,132,646	18,641,459	–	–	382,774,105

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

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

The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and operating expenses. The Company manages liquidity by forecasting cash flow requirements. Investments are made in assets with maturities or interest payments which are matched against expected payouts of claims benefits (i.e., amount and duration of assets are matched against amount and duration of liabilities). In addition, significant outflows due to operating expenses (e.g., salaries, bonuses, IT expenditures, etc.) are scheduled based on an agreed budget timeline.

It is unusual for a company primarily transacting insurance business to predict the requirements of funding with absolute certainty as theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amounts and maturities in respect of insurance liabilities are thus based on management's best estimate based on statistical techniques and past experience.

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted collections and payments except for the recoverable from reinsurers and legal policy reserves of the life insurance contracts (included in the insurance receivables and insurance contract liabilities accounts, respectively) which shows the maturity analysis based on the estimated timing of the net cash outflows using the recognized insurance liability amounts. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. For the unit-linked contracts, the Company is ready to dispose its investments in securities to meet surrenders of unit-linked liabilities.

Non-linked

	2025						
	On demand	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**No term**	**Total**
Financial assets:							
Cash and cash equivalents*	**₱1,731,320,097**	**₱7,896,201,914**	**₱ –**	**₱ –**	**₱ –**	**₱ –**	**₱9,627,522,011**
Insurance receivables							
Premiums due and uncollected	**226,260,942**	**1,257,534,489**	**–**	**–**	**–**	**–**	**1,483,795,431**
Reinsurance recoverable on paid losses	**–**	**738,417,737**	**–**	**–**	**–**	**–**	**738,417,737**
Due from reinsurers	**–**	**859,631,961**	**–**	**–**	**–**	**–**	**859,631,961**
Bonds recoverable on paid losses	**–**	**28,149,702**	**–**	**–**	**–**	**–**	**28,149,702**
Funds held by ceding companies	**–**	**20,275,084**	**–**	**–**	**–**	**–**	**20,275,084**
Loans and receivables							
Due from unit-linked funds	**–**	**188,652,488**	**–**	**–**	**–**	**–**	**188,652,488**
Policy loans	**20,711,707**	**510,349,733**	**–**	**–**	**–**	**–**	**531,061,440**
Intercompany receivables	**–**	**270,109,629**	**–**	**–**	**–**	**–**	**270,109,629**
Due from agents	**–**	**7,264,142**	**2,201,371**	**7,845,809**	**2,376,088**	**–**	**19,687,410**
Due from officers and employees	**–**	**121,505,279**	**19,928,209**	**741,460**	**3,892,488**	**–**	**146,067,436**
Other receivables	**–**	**–**	**6,389,510**	**–**	**–**	**–**	**6,389,510**
Accrued income	**–**	**444,373,713**	**–**	**–**	**–**	**–**	**444,373,713**
Financial assets at FVPL							
Listed equity securities	**–**	**–**	**–**	**–**	**–**	**858,504,230**	**858,504,230**
Unit investment trust funds	**–**	**–**	**–**	**–**	**–**	**705,704,716**	**705,704,716**
Government debt securities*	**2,463,448**	**20,042,771**	**–**	**–**	**55,999,280**	**–**	**78,505,499**
Investment in unit-linked fund	**–**	**–**	**–**	**–**	**–**	**453,523,795**	**453,523,795**
AFS financial assets*	**341,194,767**	**1,306,095,928**	**3,769,756,123**	**4,671,800,678**	**17,788,662,499**	**–**	**27,877,509,995**
Total financial assets	**₱2,321,950,961**	**₱13,668,604,570**	**₱3,798,275,213**	**₱4,680,387,947**	**₱17,850,930,355**	**₱2,017,732,741**	**₱44,337,881,787**
Financial liabilities:							
Insurance contract liabilities**	**₱5,277,353,657**	**₱ –**	**₱ –**	**₱ –**	**₱ –**	**₱ –**	**₱5,277,353,657**
Premium deposit fund	**–**	**296,944,776**	**–**	**–**	**–**	**–**	**296,944,776**
Insurance payables*	**–**	**1,521,441,271**	**–**	**–**	**–**	**–**	**1,521,441,271**
Trade and other liabilities***	**–**	**4,121,368,417**	**–**	**–**	**–**	**–**	**4,121,368,417**
Lease liability*	**–**	**140,114,471**	**191,617,438**	**133,228**	**–**	**–**	**331,865,137**
Total financial liabilities	**₱ 5,277,353,657**	**₱6,079,868,935**	**₱191,617,438**	**₱ 133,228**	**₱ –**	**₱ –**	**₱11,548,973,258**
Liquidity gap							**₱32,788,908,529**

**Including future interest*
***Excluding legal policy reserves*
****Excluding taxes payable*

	2024						
	On demand	Up to a year	1-3 years	3-5 years	Over 5 years	No term	Total
Financial assets:							
Cash and cash equivalents*	₱1,985,237,717	₱5,809,288,771	₱ –	₱ –	₱ –	₱ –	₱7,794,526,488
Insurance receivables							
Premiums due and uncollected	175,050,285	953,063,585	–	–	–	–	1,128,113,870
Reinsurance recoverable on paid losses	-	392,292,384	–	–	–	–	392,292,384
Due from reinsurers	-	419,350,488	–	–	–	–	419,350,488
Bonds recoverable on paid losses	-	28,149,702	–	–	–	–	28,149,702
Funds held by ceding companies	-	18,404,208	–	–	–	–	18,404,208
Loans and receivables							
Due from unit-linked funds	–	296,008,088	–	–	–	–	296,008,088
Policy loans	18,641,459	459,545,380	–	–	–	–	478,186,839
Intercompany receivables	–	284,649,004	–	–	–	–	284,649,004
Due from agents	26,075,880	11,129,398	–	–	–	–	37,205,278
Due from officers and employees	–	74,569,022	36,594,427	66,085	14,395,614	–	125,625,148
Other receivables	–	–	11,030,885	–	–	–	11,030,885
Financial assets at FVPL							
Listed equity securities	–	–	–	–	–	1,208,139,131	1,208,139,131
Unit investment trust funds	–	–	–	–	–	102,690,824	102,690,824
Government debt securities*	984,222	–	20,678,143	–	56,032,620	–	77,694,985
Investment in unit-linked fund	–	–	–	–	–	382,497,740	382,497,740
AFS financial assets*	925,550,344	2,588,094,103	4,163,120,262	17,513,056,629	68,779,831	–	25,258,601,169
Accrued income	–	382,774,105	–	–	–	–	382,774,105
Total financial assets	₱3,131,539,907	₱11,717,318,238	₱4,231,423,717	₱17,513,122,714	₱139,208,065	₱1,693,327,695	₱38,425,940,336
Financial liabilities:							
Insurance contract liabilities**	₱4,698,655,420	₱ –	₱ –	₱ –	₱ –	₱ –	₱4,698,655,420
Premium deposit fund	–	347,407,438	–	–	–	–	347,407,438
Insurance payables*	–	1,077,103,793	–	–	–	–	1,077,103,793
Trade and other liabilities***	–	3,818,547,373	–	–	–	–	3,818,547,373
Lease liability*	–	220,329,948	287,418,074	4,085,244	–	–	511,833,266
Total financial liabilities	₱4,698,655,420	₱5,463,388,552	₱287,418,074	₱4,085,244	₱ –	₱ –	₱10,453,547,290
Liquidity gap							₱27,972,393,046

**Including future interest*
***Excluding legal policy reserves*
****Excluding taxes payable*

Unit-linked

	2025						
	On demand	Up to a year	1-3 years	3-5 years	Over 5 years	No term	Total
Financial assets:							
Cash and cash equivalents	**₱1,355,745,406**	**₱78,520,654**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,434,266,060**
Investment income due and accrued	**–**	**140,196,202**	**–**	**–**	**–**	**–**	**140,196,202**
Accounts receivable	**–**	**108,898,883**	**–**	**–**	**–**	**–**	**108,898,883**
Financial assets at FVPL							
Debt securities*	**–**	**114,029,815**	**480,241,263**	**1,819,736,277**	**6,382,250,923**	**–**	**8,796,258,278**
Equity securities	**–**	**–**	**–**	**–**	**–**	**35,149,266,365**	**35,149,266,365**
Unit trust investment funds	**–**	**–**	**–**	**–**	**–**	**10,855,475,964**	**10,855,475,964**
Exchange-traded funds	**–**	**–**	**–**	**–**	**–**	**88,111,634,947**	**88,111,634,947**
Total financial assets	**₱1,355,745,406**	**₱441,645,554**	**₱480,241,263**	**₱1,819,736,277**	**₱6,382,250,923**	**₱134,116,377,276**	**₱144,595,996,699**
Financial liabilities:							
Other financial liabilities							
Accounts payable	**₱–**	**₱306,975,435**	**₱–**	**₱–**	**₱–**	**₱–**	**₱306,975,435**
Accrued expenses	**–**	**417,542,750**	**–**	**–**	**–**	**–**	**417,542,750**
Total financial liabilities	**₱–**	**₱724,518,185**	**₱–**	**₱–**	**₱–**	**₱–**	**₱724,518,185**
Liquidity gap							**₱143,871,478,514**

**Including future interest*

	2024						
	On demand	Up to a year	1-3 years	3-5 years	Over 5 years	No term	Total
Financial assets:							
Cash and cash equivalents	₱1,030,857,412	₱212,381,707	₱–	₱–	₱–	₱–	₱1,243,239,119
Investment income due and accrued	–	147,947,004	–	–	–	–	147,947,004
Accounts receivable	–	356,105,692	–	–	–	–	356,105,692
Financial assets at FVPL							
Debt securities*	–	180,537,342	911,125,449	1,458,221,221	6,621,158,602	–	9,171,042,614
Equity securities	–	–	–	–	–	45,680,064,023	45,680,064,023
Unit trust investment funds	–	–	–	–	–	11,664,916,671	11,664,916,671
Exchange-traded funds	–	–	–	–	–	71,041,251,899	71,041,251,899
Total financial assets	₱1,030,857,412	₱896,971,745	₱911,125,449	₱1,458,221,221	₱6,621,158,602	₱128,386,232,593	₱139,304,567,022
Financial liabilities:							
Other financial liabilities							
Accounts payable	₱–	₱343,865,316	₱–	₱–	₱–	₱–	₱343,865,316
Accrued expenses	–	408,864,512	–	–	–	–	408,864,512
Total financial liabilities	₱–	₱752,729,828	₱–	₱–	₱–	₱–	₱752,729,828
Liquidity gap							₱138,551,837,194

**Including future interest*

The Company's investment policy is long term in nature. It is subject to annual review for update on asset-liability management, alignment with the Company's latest business plan and other developments during the year. The investment policy is reviewed, approved and endorsed by the Local Investment and ALM Committee (LIAC), and AXA Philippines Life and General Insurance Corporation Executive Committee.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign exchange rate (currency risk), market interest rate (fair value interest rate risk) and market price (equity price risk).

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

- Set out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Establish asset allocation and portfolio limit structure to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders in line with expectations of the policyholders.
- Stipulate diversification benchmarks by type of instrument, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

Currency risk
The Company's principal transactions are carried out in Philippine Peso and its foreign exchange risk arises primarily with respect to United States Dollars ($), where some of its products are denominated. The Company's financial assets are primarily denominated in the same currencies as its insurance contracts, which mitigate the foreign exchange rate risk. Thus, the main foreign exchange risk arises from recognized assets and liabilities denominated in currencies other than in which the insurance contracts are expected to be settled.

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

	2025	
	USD	**PHP**
Assets		
Cash and cash equivalents	**US$33,508,379**	**₱1,969,957,617**
AFS financial assets	**100,000**	**5,879,000**
Premiums receivable and agents' balances	**722,839**	**42,495,692**
Assets held to cover unit-linked liabilities	**1,081,894,839**	**63,604,597,602**
	1,116,226,057	**65,622,929,911**
Liabilities		
Unit-linked liabilities	**(1,081,894,839)**	**(63,604,597,602)**
Insurance contract liabilities	**(16,082,970)**	**(945,517,827)**
Insurance payables	**(178,498)**	**(10,493,884)**
	(1,098,156,307)	**(64,560,609,313)**
	US$18,069,750	**₱1,062,320,598**

	2024	
	USD	PHP
Assets		
Cash and cash equivalents	US$28,922,034	₱1,672,995,031
AFS financial assets	100,000	5,784,500
Premiums receivable and agents' balances	404,901	23,421,492
Assets held to cover unit-linked liabilities	996,026,909	57,615,176,566
	1,025,453,844	59,317,377,589
Liabilities		
Unit-linked liabilities	(996,026,909)	(57,615,176,566)
Insurance contract liabilities	(17,346,107)	(1,003,385,599)
Insurance payables	(178,498)	(10,325,217)
	(1,013,551,514)	(58,628,887,382)
	US$11,902,330	₱688,490,207

The analysis below is performed for reasonably possible movements in US$ with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of currency sensitive monetary assets and liabilities). The exchange rate used to present the US Dollar denominated assets and liabilities to Peso denominations are the December 31, 2025 and 2024 closing rates. There is no impact on the Company's equity other than those already affecting the profit.

	2025	
	Change in variable	**Impact on profit before tax**
USD	**1.63%**	**₱17,354,879**
USD	**-1.63%**	**(17,354,879)**

	2024	
	Change in variable	Impact on profit before tax
USD	4.47%	₱30,775,027
USD	-4.47%	(30,775,027)

As of December 31, 2025 and 2024, the Company used the average of changes in year-end closing rate for the past three years in determining the reasonably possible change in foreign exchange rates.

Fair value interest rate risk

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

The Company's investment policy manages interest rate risk by matching the maturities of interest-bearing financial assets and interest-bearing financial liabilities. The amount, duration and yield to maturity of assets are matched against the amount and duration of the liabilities.

The following table shows the information relating to the Company's non-linked fixed interest-bearing financial instruments presented by maturity profile.

	2025						
	Range of interest rates	**On demand**	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial assets:							
Cash and cash equivalents*	**3.50% - 5.50%**	**₱1,712,639,750**	**₱7,896,201,914**	**₱–**	**₱–**	**₱–**	**₱9,608,841,664**
Loans and receivables							
Policy loans	**9.00% and 7.00%**	**–**	**510,349,733**	**–**	**–**	**–**	**510,349,733**
Due from agents	**12.00%**	**–**	**7,264,142**	**2,201,371**	**7,845,809**	**2,376,088**	**19,687,410**
Due from officers and employees	**8.00%**	**–**	**121,505,279**	**19,928,209**	**741,460**	**3,892,488**	**146,067,436**
Financial assets at FVPL							
Government debt securities	**8.50% - 10.25%**	**–**	**20,042,771**	**–**	**–**	**55,999,280**	**76,042,051**
AFS financial assets	**3.60% - 9.50%**	**–**	**1,245,069,073**	**3,769,756,123**	**4,671,800,678**	**17,788,662,499**	**27,475,288,373**
Total financial assets		**₱1,712,639,750**	**₱9,800,432,912**	**₱3,791,885,703**	**₱4,680,387,947**	**₱17,850,930,355**	**₱37,836,276,667**
Financial liabilities:							
Other financial liabilities							
Premium deposit fund	**1.50%**	**₱–**	**₱296,944,776**	**₱–**	**₱–**	**₱–**	**₱296,944,776**
Total financial liabilities		**₱–**	**₱296,944,776**	**₱–**	**₱–**	**₱–**	**₱296,944,776**

**Excluding cash on hand*

	, 2024						
	Range of interest rates	On demand	Up to a year	1-3 years	3-5 years	Over 5 years	Total
Financial assets:							
Cash and cash equivalents*	4.40% - 6.53%	₱1,966,037,164	₱5,790,573,218	₱–	₱–	₱–	₱7,756,610,382
Loans and receivables							
Policy loans	9.00% and 7.00%	–	459,545,380	–	–	–	459,545,380
Due from agents	12.00%	26,075,880	11,129,398	–	–	–	37,205,278
Due from officers and employees	8.00%	–	74,569,022	36,594,427	66,085	14,395,614	125,625,148
Financial assets at FVPL							
Government debt securities	8.50% - 10.25%	–	–	20,678,142	–	56,032,621	76,710,763
AFS financial assets	2.63% - 18.25%	–	1,949,174,882	2,994,868,179	3,547,076,075	16,424,443,135	24,915,562,271
Total financial assets		₱1,992,113,044	₱8,284,991,900	₱3,052,140,748	₱3,547,142,160	₱16,494,871,370	₱33,371,259,222
Financial liabilities:							
Other financial liabilities							
Premium deposit fund	1.50%	₱–	₱347,407,438	₱–	₱–	₱–	₱347,407,438
Total financial liabilities		₱–	₱347,407,438	₱–	₱–	₱–	₱347,407,438

**Excluding cash on hand*

The following table shows the information relating to the Company's unit-linked fixed interest-bearing financial instruments presented by maturity profile.

	2025						
	Range of interest rates	**On demand**	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial assets:							
Cash and cash equivalents	**2.00% - 2.50%**	**₱1,355,745,406**	**₱78,520,654**	**₱–**	**₱–**	**₱–**	**₱1,434,266,060**
Financial assets at FVPL							
Debt securities	**1.65% - 11.25%**	**–**	**112,043,047**	**475,421,699**	**1,793,380,899**	**6,280,635,272**	**8,661,480,917**
Total financial assets		**₱1,355,745,406**	**₱190,563,701**	**₱475,421,699**	**₱1,793,380,899**	**₱6,280,635,272**	**₱10,095,746,977**

	2024						
	Range of interest rates	On demand	Up to a year	1-3 years	3-5 years	Over 5 years	Total
Financial assets:							
Cash and cash equivalents	4.25% - 4.95%	₱1,030,857,412	₱212,381,707	₱–	₱–	₱–	₱1,243,239,119
Financial assets at FVPL							
Debt securities	1.38% - 11.25%	–	175,662,837	903,652,856	1,443,946,856	6,514,364,742	9,037,627,291
Total financial assets		₱1,030,857,412	₱388,044,545	₱903,652,856	₱1,443,946,856	₱6,514,364,742	₱10,280,866,411

The analysis below is performed for reasonably possible movements in interest rates with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of fixed rate financial assets at FVPL) and equity (due to changes in fair value of fixed rate AFS financial assets). The impact on the Company's equity already excludes the impact on transactions affecting the profit or loss in the Company statements of comprehensive income.

	2025		
	Change in yield	**Impact on Profit before Tax**	**Impact on equity**
Peso appreciates	**+1.00%**	**(₱109,070,796)**	**(₱1,378,128,862)**
Peso depreciates	**-1.00%**	**121,142,934**	**1,523,932,977**

	2024		
	Change in yield	Impact on Profit before Tax	Impact on equity
Peso appreciates	+1.00%	(₱115,349,023)	(₱1,174,026,019)
Peso depreciates	-1.00%	131,060,760	1,287,971,494

Equity price risk

The Company's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as financial assets at FVPL and AFS financial assets. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The Company's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each sector and market. Investments in derivatives are also subject to such requirements.

The Company has certain direct strategic minority investments in publicly traded companies. These investments are classified as AFS financial assets. The Company also invests in equity shares through its unit-linked funds. Investments held by these unit-linked funds were designated as financial assets at FVPL.

The analysis below is performed for reasonably possible movements in the PSE index with all other variables held constant. The impact on profit before tax (due to changes in fair value of equity securities classified as financial assets at FVPL) and equity (due to changes in fair value of equity securities classified as AFS financial assets) is arrived at using the change in variable and the specific adjusted beta of each share of stock the Company holds at the reporting date. Adjusted beta is the forecasted measure of the volatility of a security or a portfolio in comparison to the market as a whole. The impact on the Company's equity already excludes the impact on transactions affecting profit or loss.

	2025		
Market Index	**Change in variable**	**Impact on profit before tax**	**Impact on equity**
PSE index	**-4.81%**	**(₱40,101,815)**	**(₱8,069,586)**
PSE index	**4.81%**	**40,101,815**	**8,069,586**

	2024		
Market Index	Change in variable	Impact on profit before tax	Impact on equity
PSE index	-0.21%	(₱2,527,214)	(₱393,233)
PSE index	0.21%	2,527,214	393,233

For the years ended December 31, 2025 and 2024, the change in variable was derived from the percentage changes of the composite PSE index for the past three years.

NAV price risk
NAV price risk is the risk that the NAV per share of the unit-linked funds decreases as a result of changes in the level of NAV.

The analysis below is performed for reasonably possible movements in NAV per share with all other variables held constant, showing the impact on equity:

	Change in NAV	**Impact on profit before tax**
December 31, 2025	**1.00%**	**₱1,485,597,443**
	-1.00%	**(1,485,597,443)**
December 31, 2024	1.00%	₱1,414,770,084
	-1.00%	(1,414,770,084)

28. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Related party transactions consist mainly of the following:

a. The Company maintains savings and current accounts, short-term deposits and investment in unit investment trust funds with MBTC, the parent of FMIC, details of which follow:

	2025	2024
Savings and current deposits	**₱1,308,504,195**	₱1,336,873,528
Cash equivalents	**4,451,894,799**	95,819,102
Unit investment trust funds	**698,511,737**	1,926,924,376
	₱6,458,910,731	₱3,359,617,006

Cash equivalents are to mature within 5-70 days and 2-43 days in 2025 and 2024, respectively. Interest rates on savings accounts and short-term deposits range from 0.05% to 5.13% and 0.05% to 6.53% for the years ended December 31, 2025 and 2024, respectively.

Interest income from these savings accounts and short-term deposits included in 'Investment income' amounted to ₱128 million and ₱96 million in 2025 and 2024, respectively.

Investment in unit investment trust funds (UITFs) classified as financial assets at FVPL are invested in various financial instruments such as money market securities, bonds and equities, which are normally available to bigger investors only.

As of December 31, 2025, the Company owns 365,044,022 outstanding number of units with cost and net asset value of ₱670.98 million and ₱698.51 million, respectively, while as of December 31, 2024, the Company owns 62,032,767 outstanding number of units with cost and net asset value of ₱80.93 million and ₱95.82 million, respectively

b. The Company maintains savings account and short-term deposits with Philippine Savings Bank (PS Bank), a subsidiary of MBTC, details of which follow:

	2025	2024
Cash equivalents	**₱117,580,000**	₱260,302,500
Savings and current accounts	**93,311,864**	160,667,228
	₱210,891,864	₱420,969,728

Interest rates on savings account and short-term deposits range from 4% to 4.125% and 0.05% to 5.1% for the years ended December 31, 2025 and 2024, respectively. Interest income from these savings account and short-term deposits included in 'Investment income' amounted to ₱8.34 million and ₱10.97 million in 2025 and 2024, respectively.

c. The Company maintains an SLA with MBTC-Trust Banking Group for the management of the Company's separate variable funds for its variable life insurance contracts. Under the SLA, MBTC shall manage the unit-linked funds faithfully in accordance with the terms and conditions of the SLA. As compensation for services rendered, MBTC shall be entitled to a service fee ranging from 0.10% to 0.30% per annum based on the net asset value of the unit-linked funds.

Service fees charged against the funds and included under 'Gain (loss) on assets held to cover unit-linked liabilities' amounted to ₱34.65 million and ₱31.16 million for the years ended December 31, 2025 and 2024, respectively. Service fees payable included under 'Assets held to cover unit-linked liabilities' amounted to ₱2.35 million and to ₱1.62 million as of December 31, 2025 and 2024, respectively.

d. The Company entered into a bancassurance agreement with MBTC in relation to the sale of policy insurance contracts to the clients of MBTC and through the Company's financial executives. In 2014, the Company entered into same bancassurance agreement with PS Bank. The Company pays referral fees recognized as 'Commission expense' in the profit or loss. Referral fees for banks and banks staff referrals are determined at various rates based on the collected premiums, as follow:

	2025	2024
Referral fees for banks		
MBTC	**₱428,630,936**	₱282,099,225
PS Bank	**42,764,479**	20,199,264
	471,395,415	302,298,489
Bank staff referrals		
MBTC	**29,780,146**	32,585,288
PS Bank	**12,098,855**	4,969,664
	41,879,001	37,554,952
	₱513,274,416	₱339,853,441

The outstanding balance included in 'Commissions payable' under 'Trade and other liabilities' amounted to ₱158.94 million and ₱66.24 million as of December 31, 2025 and 2024, respectively (see Note 19).

e. MBTC is the trustee bank of the Company's retirement plan. The Company's plan assets amounted to ₱866.69 million and ₱735.82 million as of December 31, 2025 and 2024 respectively (see Note 25). Trustee fees charged by MBTC amounted to ₱1.85 million and ₱1.08 million for the years ended December 31, 2025 and 2024, respectively.

f. The Company has entered into several lease agreements with its related parties for the use of office spaces. The Company leases commercial office spaces from Federal Land Inc. and MBTC. For the years ended December 31, 2025 and 2024, rental payments pertaining to these leases follow:

	2025	2024
Federal Land Inc.	**₱135,962,723**	₱132,071,237
MBTC	**493,508**	3,145,061
	₱136,456,231	₱135,216,298

The lease liability as of December 31, 2025 and 2024 amounted to ₱301.19 million and ₱458.13 million, respectively (see Note 29).

In 2025 and 2024, 'Rental income' from MBTC included in 'Investment income' amounted to ₱1.53 million and ₱1.53 million, respectively (see Note 22). There is no rent receivable as of December 31, 2025 and 2024.

g. The Company's outstanding receivables included in 'Intercompany receivables' under 'Loans and receivables', follow (see Note 7):

	2025	2024
Metropolitan Bank & Trust Co.	**₱1,750,000**	₱21,000,000
AXA Asian Markets Services Philippines, Inc.	**98,956**	191,917
Others	**–**	27,112
	₱1,848,956	₱21,219,029

The Company has transactions with affiliates (companies belonging to Metrobank Group) in relation to group policies which are based on terms similar to those offered to nonrelated parties. These pertain to credit life and yearly renewable term policies. Details of the balances with affiliates follow:

Premiums earned (see Note 22)

	2025	2024
MBTC	**₱319,946,525**	₱928,219,164
Philippine Savings Bank	**299,970,730**	278,002,769
Orix Rental Corporation	**82,440,465**	65,764,747
Bonifacio Landmark Realty & Development Corp.	**45,748,342**	–
Toyota Motor Philippines Corporation	**24,519,180**	30,840,647
Federal Land	**22,396,129**	33,933,798
Orix Metro Leasing and Finance Corporation	**10,641,015**	15,557,954
Cathay International Resources Corporation	**3,560,229**	–
GT Capital Holdings, Inc.	**3,552,207**	3,797,636
FMIC	**2,511,013**	1,287,207
Horizon Land Property and Development Corp.	**914,886**	–
Orix Auto Leasing Philippines Corporation	**358,551**	358,551
GT Capital Auto and Mobility Holdings, Inc.	**342,338**	–
Sumisho Motor Finance Corp.	**222,199**	9,750
AXA Asian Markets Services Philippines, Inc.	**–**	**–**
First Metro Securities Brokerage Corporation	**–**	19,409
	₱817,123,809	₱1,357,791,632

Premiums due and uncollected (see Note 6)

	2025	2024
MBTC	**₱70,606,635**	₱58,039,817
Philippine Savings Bank	**39,329,992**	32,697,917
Orix Rental Corporation	**13,366,116**	22,181,079
Orix Metro Leasing and Finance Corporation	**3,890,174**	3,337,374
Federal Land	**3,546,255**	1,828,300
Horizon Land Property and Development Corp.	**1,320,599**	1,183,098
Cathay International Resources Corporation	**659,739**	–
FMIC	**618,734**	50,008
GT Capital Holdings, Inc.	**232,783**	312,248
Orix Auto Leasing Philippines Corporation	**229,791**	183,850
Sumisho Motor Finance Corp.	**14,280**	128,045
	₱133,815,098	₱119,941,736

Claims incurred (see Note 22)

	2025	2024
Philippine Savings Bank	**₱61,128,606**	₱62,150,282
MBTC	**42,479,284**	88,318,404
Orix Metro Leasing and Finance Corporation	**1,610,000**	2,010,000
Federal Land	**–**	2,025,000
	₱105,217,890	₱154,503,686

Claims payable (see Note 16)

	2025	2024
MBTC	**₱7,140,000**	₱13,127,747
Philippine Savings Bank	**3,876,849**	3,928,515
Federal Land	**1,005,000**	–
	₱12,021,849	₱17,056,262

Outstanding gross experience refunds

	2025	2024
MBTC	**₱70,719,532**	₱70,534,599
Philippine Savings Bank	**32,849,044**	32,669,075
Toyota Motor Philippines Corporation	**7,884,253**	5,083,245
FMIC	**4,322,651**	3,597,421
Federal Land	**1,631,464**	1,303,707
	₱117,406,944	₱113,188,047

h. AXA Asia allocated certain expenses to the Company that pertain to shared service costs as a result of providing services on management planning, support and maintenance services, procurement regional projects and information technology service delivery charges. Shared service costs included in 'Operating and administrative expenses' amounted to ₱30.88 million and ₱93.44 million in 2025 and 2024, respectively (see Note 24). The outstanding balance included in 'Accrued shared services cost' under 'Trade and other liabilities' amounted to ₱3.28 million and ₱23.29 million as of December 31, 2025 and 2024, respectively (see Note 19).

The Company entered into a Deposit Collection Agreement with MBTC for bill payments from the Company's clients who are depositors of MBTC through delivery channels, online bills payments and auto-debit arrangements. MBTC shall debit the Company's client accounts for the total amount of fees due at the end of every reference months, enable customers to perform online banking transactions and accept bill payments through extensive banking system and the se of various delivery channels such as over-the-counter payments, Metrobank ET, Metrophone, Mobile and Metrobank direct banking facilities.

The Company entered into a memorandum of agreement with MBTC to issue corporate guaranteed credit cards to certain authorized employees. The Company shall bear complete liability for all the obligations, liabilities and charges incurred by the authorized employees arising from the use of credit cards.

i. Compensation of key management personnel

Key management personnel of the Company include all management committee officers. The compensation of the key management personnel by benefit type follows:

	2025	2024
Salaries and short-term benefits	**₱423,719,109**	₱307,466,754
Post-employment benefits	**72,146,663**	53,283,297
	₱495,865,772	₱360,750,051

j. Due from officers and employees

Amounts due from officers and employees include secured interest-bearing loans pertaining to car plan and salary loans, and other unsecured noninterest-bearing loans and advances granted to the Company's officers and employees. Interest rates on interest bearing loans range is 8% for the years ended December 31, 2025 and 2024.

Allowance for credit and impairment losses on due from officers and employees amounted to ₱16.37 million and ₱24.07 million as of December 31, 2025 and 2024, respectively (see Note 7).

The summary of balances arising from related party transactions for the relevant financial year follows:

	2025		2024			
	Amount/volume	**Outstanding Balance**	Amount/volume	Outstanding Balance	Terms	Conditions
Entities with joint control over the Company						
MBTC						
Savings, current and short-term deposits	**₱ –**	**₱5,760,398,993**	₱ –	₱3,263,797,904	2025: 5-70 days, 0.05% to 5.13% 2024: 2-43 days, 0.05% to 6.53%	No impairment
Unit investment trust funds		**698,511,737**	–	95,819,102	At NAV, settlement in cash	No impairment
Interest income	**127,893,260**	**9,695,094**	96,003,405	5,587,158	2025: 5-70 days, 0.05% to 5.13% 2024: 2-43 days, 0.05% to 6.53%	No impairment
Investment in equity securities		**79,518,910**	–	87,055,920	Interest-free, settlement in cash	No impairment
Dividend income	**5,973,175**	**–**	6,045,550	–	Interest-free, settlement in cash	–
Service fees	**34,652,154**	**2,350,017**	31,158,965	1,618,362	0.10% to 0.30% of NAV	–
Commission expense	**458,411,082**	**130,434,757**	314,684,513	53,864,290	Interest-free, settlement in cash	Unsecured, no impairment
Plan assets	**–**	**866,690,031**	–	735,818,114	Interest-free, settlement in cash	No impairment
Trust fees	**1,849,928**	**–**	1,079,125	–	Interest-free, settlement in cash	Unsecured, no impairment
Rent expense	**570,409**	**–**	3,145,061	–	Interest-free, settlement in cash	Unsecured, no impairment
Association dues	**30,902,158**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Rent income	**1,529,773**	**–**	1,529,796	–	Interest-free, settlement in cash	Unsecured, no impairment
Rental deposits		**268,609**	–	268,609	Interest-free, settlement in cash	Unsecured, no impairment
Bank charges	**2,066,573**	**–**	6,059,923	–	Interest-free, settlement in cash	–
Premium income	**319,946,525**	**70,606,635**	928,219,164	54,477,584	Interest-free, settlement in cash	Unsecured, no impairment
Claims	**42,479,284**	**7,140,000**	88,318,404	13,127,747	Interest-free, settlement in cash	Unsecured, no impairment
Gross experience refund	**70,719,532**	**–**	70,534,599	–	Interest-free, settlement in cash	Unsecured, no impairment
Annual fees	**168,400**	**–**	93,000	–	Interest-free, settlement in cash	Unsecured, no impairment
Credit card fees	**65,789,620**	**–**	49,524,301	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts payable	**–**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts receivable	**–**	**1,750,000**	–	21,000,000	Interest-free, settlement in cash	Unsecured, no impairment
Utilities	**–**	**–**	460,704		Interest-free, settlement in cash	Unsecured, no impairment
Investment expense	**–**	**–**	176,953	–	Interest-free, settlement in cash	Unsecured, no impairment
Other underwriting expense	**1,637,081**	**–**	3,486,654	–	Interest-free, settlement in cash	Unsecured, no impairment
Retirement Contribution	**136,681,954**		145,264,768	–	Interest-free, settlement in cash	Unsecured, no impairment
FMIC						
Premium income	**2,511,013**	**618,734**	1,287,207	50,008	Interest-free, settlement in cash	Unsecured, no impairment
Gross experience refund	**4,322,651**	**–**	3,597,421	–	Interest-free, settlement in cash	Unsecured, no impairment
Rental deposits	**–**	**–**	–	659,450	Interest-free, settlement in cash	Unsecured, no impairment
AXA Asia						
Shared service costs	**30,883,567**	**–**	93,442,884	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts Payable	**–**	**–**	–	23,287,576	Interest-free, settlement in cash	Unsecured, no impairment
Receivables	**–**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts payable and accrued expenses	**–**	**3,277,192**	–	562,015	Interest-free, settlement in cash	Unsecured, no impairment
Service fee	**–**	**–**	1,243,772	–	Interest-free, settlement in cash	Unsecured, no impairment
GT Capital Holdings, Inc.						
Premium income	**3,552,207**	**232,783**	3,797,636	312,248	Interest-free, settlement in cash	Unsecured, no impairment
Investment in equity securities	**–**	**30,130,205**	–	34,845,706	Interest-free, settlement in cash	No impairment
Dividend income	**416,702**	**–**	423,656	–	Interest-free, settlement in cash	–

	2025		2024			
	Amount/volume	**Outstanding Balance**	Amount/volume	Outstanding Balance	Terms	Conditions
Other related parties						
Philippine Savings Bank						
Savings, current and time deposits accounts	**₱ –**	**₱210,891,864**	₱ –	₱420,969,728	2025: 6-15 days, 4% to 4.13% 2024: 7-37 days, 0.05% to 5.13%	Unsecured, no impairment
Interest income	**8,336,571**	**7,056**	10,972,795	713,093	2025: 6-15 days, 4% to 4.13% 2024: 7-37 days, 0.05% to 5.13%	Unsecured, no impairment
Commission expense	**54,863,334**	**28,502,375**	25,168,928	12,376,416	Interest-free, settlement in cash	Unsecured, no impairment
Bank charges	**337,440**	**–**	1,513,630	–	Interest-free, settlement in cash	–
Premium income	**299,970,730**	**39,329,992**	278,002,769	32,697,917	Interest-free, settlement in cash	Unsecured, no impairment
Claims	**61,128,606**	**3,876,849**	62,150,282	3,928,515	Interest-free, settlement in cash	Unsecured, no impairment
Gross experience refund	**32,849,044**	**–**	32,669,075	–	Interest-free, settlement in cash	Unsecured, no impairment
Investment expense	**–**	**–**	1,275,916	–	Interest-free, settlement in cash	Unsecured, no impairment
Other underwriting expense	**–**	**–**	2,415,233	–	Interest-free, settlement in cash	Unsecured, no impairment
Federal Land Inc.						
Premium income	**22,396,129**	**3,546,255**	33,933,798	1,828,300	Interest-free, settlement in cash	Unsecured, no impairment
Rental deposits	**–**	**59,655,853**	–	59,655,853	Interest-free, settlement in cash	Unsecured, no impairment
Rent expense	**132,281,828**	**–**	132,071,237	–	Interest-free, settlement in cash	Unsecured, no impairment
Association dues	**17,054,016**	**–**	24,490,076	–	Interest-free, settlement in cash	Unsecured, no impairment
Claims incurred	**–**	**1,005,000**	2,025,000	–	Interest-free, settlement in cash	Unsecured, no impairment
Gross experience refund	**1,631,464**	**–**	1,303,707	–	Interest-free, settlement in cash	Unsecured, no impairment
Orix Metro Leasing and Finance Corporation						
Premium income	**10,641,015**	**3,890,174**	15,557,954	3,337,374	Interest-free, settlement in cash	Unsecured, no impairment
Rent Expense	**25,290,973**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Claims	**1,610,000**	**–**	2,010,000	–	Interest-free, settlement in cash	Unsecured, no impairment
Orix Rental Corporation						
Premium income	**82,440,465**	**13,366,116**	65,764,747	22,181,079	Interest-free, settlement in cash	Unsecured, no impairment
Orix Auto Leasing Philippines Corporation						
Premium income	**358,551**	**229,791**	358,551	183,850	Interest-free, settlement in cash	Unsecured, no impairment
Toyota Motor Philippines Corporation						
Premium income	**24,519,180**	**–**	30,840,647	–	Interest-free, settlement in cash	Unsecured, no impairment
Claims	**–**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Gross experience refund	**7,884,253**	**–**	5,083,245	–	Interest-free, settlement in cash	Unsecured, no impairment
Toyota Financial Services Philippine Corporation						
Premium income	**83,600,235**	**3,967,050**	5,400,414	4,417,682	Interest-free, settlement in cash	Unsecured, no impairment
Toyota Manila Bay Corporation						
Premium income	**835,185**	**280,652**	516,044	261,582	Interest-free, settlement in cash	Unsecured, no impairment

	2025		2024			
	Amount/volume	**Outstanding Balance**	Amount/volume	Outstanding Balance	Terms	Conditions
AXA PPP						
Reinsurance recoveries	**₱416,327,146**	**₱ –**	₱171,511,937	**₱ –**	Interest-free, settlement in cash	Unsecured, no impairment
Reinsurance recoverable on paid/unpaid losses	**–**	**445,904,307**	–	163,551,569		
Premiums ceded to reinsurer	**374,977,037**	**–**	309,547,387	–	Interest-free, settlement in cash	Unsecured, no impairment
Due to reinsurer	**–**	**313,161,749**	–	190,136,973		
AXA Global P&C						
Premiums ceded to reinsurer	**714,926,803**	**–**	800,411,688	190,465,858	Interest-free, settlement in cash	Unsecured, no impairment
Reinsurance recoverable paid loss	**–**	**52,530,600**	–	131,497,509	Interest-free, settlement in cash	Unsecured, no impairment
Reinsurance recoverable unpaid loss	**–**	**201,385,890**	–	159,910,951	Interest-free, settlement in cash	Unsecured, no impairment
Funds held by ceding company	**–**	**70,723,476**	–	156,238,678	Interest-free, settlement in cash	Unsecured, no impairment
Reinsurance recoveries	**4,469,402**	**–**	40,772,939	60,237,947	Interest-free, settlement in cash	Unsecured, no impairment
Accounts receivable	**–**	**43,557,750**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Due to reinsurers	**–**	**554,037,987**	–	–	Interest-free, settlement in cash	–
Commission income	**–**	**–**	77,521,245	–	Interest-free, settlement in cash	Unsecured, no impairment
AXA France Vie						
Reinsurance recoveries	**108,189,015**	**–**	137,025,686	63,939,483	Interest-free, settlement in cash	Unsecured, no impairment
Premiums ceded to reinsurer	**132,228,289**	**–**	84,733,972	42,344,087	Interest-free, settlement in cash	Unsecured, no impairment
Accounts receivable	**–**	**–**	–	45,450	Interest-free, settlement in cash	Unsecured, no impairment
Due to reinsurer		**109,258,706**	–	–	Interest-free, settlement in cash	
Reinsurance recoverable on paid/unpaid losses		**84,503,115**	–	–	Interest-free, settlement in cash	
AXA Group Operations SAS						
IT services	**131,240,783**	**252,216,648**	234,089,444	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts receivable	**–**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts payable	**–**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
AXA Group Operations Hong Kong Limited						
IT services	**–**	**–**	266,130,792	6,891,190	Interest-free, settlement in cash	–
AXA Group Operations Singapore						
Actuarial services	**–**	**–**	165,458,464	–	Interest-free, settlement in cash	Unsecured, no impairment
XL Insurance Co. SE (Singapore Branch) former AXA Corporate Solutions Assurance Singapore Branch						
Reinsurer's share of gross premiums on insurance contracts	**15,113,931**	**–**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
Commission income	**3,209,540**	**–**	–	–		
Reinsurance recoverable on unpaid losses	**–**	**2,266,143**	–	703,020	Interest-free, settlement in cash	Unsecured, no impairment
Premiums due to reinsurer	**–**	**2,353,943**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
GIE AXA Universite						
Training Fees	**–**	**–**	4,835,038	–	Interest-free, settlement in cash	Unsecured, no impairment
AXA GIE						
Expatriate expenses	**17,763,746**	**–**	728,079	45,450	Interest-free, settlement in cash	Unsecured, no impairment
AXA Business Services PVT LTD						
Market Research Services	**–**	**–**	2,750,502	–	Interest-free, settlement in cash	Unsecured, no impairment
Actuarial Services	**18,625,589**	**–**	13,701,316	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts Payable	**–**	**–**	–	3,790,669	Interest-free, settlement in cash	Unsecured, no impairment
Assist and Assistance Concept, Inc.						
Other underwriting expense	**–**	**–**	31,744,708	–	Interest-free, settlement in cash	–
First Metro Securities Brokerage Corporation						
Premium income	**388,617**	**35,270**	348,822	5,286	Interest-free, settlement in cash	Unsecured, no impairment
First Metro Asset Management, Inc.						
Premium income	–	–	300,675	–	Interest-free, settlement in cash	Unsecured, no impairment
Horizon Land Property and Development Corporation						
Premium income	**914,886**	**1,320,599**	6,279,507	710,525	Interest-free, settlement in cash	Unsecured, no impairment
AXA Asian Markets Services Philippines, Inc.						
Premium Income	**–**	**–**	1,582,119	–	Interest-free, settlement in cash	Unsecured, no impairment
Accounts Receivable	**–**	**98,956**	–	191,917	Interest-free, settlement in cash	Unsecured, no impairment

	2025		2024			
	Amount/volume	**Outstanding Balance**	Amount/volume	Outstanding Balance	Terms	Conditions
IT Services	**₱38,287,498**	**₱8,136,999**	₱10,843,005	₱–	Interest-free, settlement in cash	Unsecured, no impairment
Architas						
Expense recharge	**–**	**–**	97,315	**–**	Interest-free, settlement in cash	Unsecured, no impairment
OMLF Insurance Agency, Inc.						
Commission payable	**49,936,104**	**28,183,794**	44,479,603	25,602,467	Interest-free, settlement in cash	Unsecured, no impairment
Direct premium	**–**	**–**	1,500	–	Interest-free, settlement in cash	Unsecured, no impairment
Sumisho Motor Finance Corp.						
Premium income	**222,199**	**14,280**	239,793	23,263	Interest-free, settlement in cash	Unsecured, no impairment
LMI Insurance Agency, Inc.						
Commission payable	**68,162,043**	**17,027,401**	56,285,276	13,338,318	Interest-free, settlement in cash	Unsecured, no impairment
TMBC Insurance Agency, Inc.						
Commission payable	**69,084,374**	**43,878,812**	49,231,515	38,974,073	Interest-free, settlement in cash	Unsecured, no impairment
Premium income	**–**	**–**	7,000	–	Interest-free, settlement in cash	Unsecured, no impairment
Cathay International Resources Corporation						
Premium income	**3,560,229**	**659,739**	4,082,168	72,893	Interest-free, settlement in cash	Unsecured, no impairment
Bonifacio Landmark Realty & Development Corp. (formerly Morano Holdings, Corporation)						
Premium income	**45,748,342**	**–**	40,165,407	–	Interest-free, settlement in cash	Unsecured, no impairment
AXA Group Operations Malaysia Sdn. Bhd.						
Actuarial services	**173,891,092**	**64,739,272**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
AXA Asian Markets Services Hong Kong Co Limited						
IT Services	**201,089,252**	**70,173,871**	–	–	Interest-free, settlement in cash	Unsecured, no impairment
GT Capital Auto and Mobility Holdings, Inc. (formerly GT Capital Auto Dealership Holdings, Inc.)						
Premium income	**342,338**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA Investment Managers (AXA IM)						
Data Services	**3,614,597**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA General Insurance Hong Kong Limited						
Reinsurer's share of gross premiums on insurance contracts	**11,942,788**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
Commission income	**3,732,121**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA Life Insurance- Egypt						
Employee's social contributions	**372,955**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA Regional Services S.A.U						
Professional Services	**14,978,883**	**78,783,813**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA IM Select France						
Professional Services	**225,488**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
AXA France IARD SA						
Employee's social contributions	**554,851**	**–**	**–**	**–**	Interest-free, settlement in cash	Unsecured, no impairment
Key management personnel						
Compensation and benefits	**423,719,109**	**–**	307,466,754	–	–	–
Directors' fees	**19,770,000**	**–**	15,040,000	–	–	–
Due from officers and employees	**903,511**	**–**	–	–	–	–

29. Leases Commitments

The Company entered into commercial leases on certain offices for its branches. These leases have an average life of between one (1) to five (5) years with renewal terms included in the contracts. There are several lease contracts that include extension and termination options, which are further discussed below. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the statements of financial position is at 6.98% and 6.71% respectively in 2025 and 2024.

The Company also has certain leases of office equipment with low value. The Company applies the 'lease of low-value assets' recognition exemption for these leases.

The following are the amount recognized in statements of comprehensive income:

	Notes	**2025**	2024
Depreciation expense of right-of-use assets	12, 24	**₱199,971,274**	₱207,662,144
Expenses relating to short-term leases	24	**104,104,539**	42,366,793
Interest expense on lease liabilities		**29,214,596**	37,177,238
Expenses relating to leases of low-value assets	24	**2,830,853**	4,197,632
Total amount recognized in statements of comprehensive income		**₱336,121,262**	₱291,403,807

Movements in the right-of-use assets are presented below:

	Note	**2025**	2024
Cost			
At January 1		**₱1,386,860,183**	₱1,284,378,377
Additions	31	**47,005,824**	110,748,448
Termination		**(572,618)**	(8,266,642)
At December 31		**1,433,293,389**	1,386,860,183
Accumulated Depreciation			
At January 1		**961,078,943**	758,376,785
Depreciation	24	**199,971,274**	207,662,144
Termination		**(286,309)**	(4,959,986)
At December 31		**1,160,763,908**	961,078,943
Net book value		**₱272,529,481**	₱425,781,240

The Company also recognized lease liabilities with movements stated below:

	Note	**2025**	2024
At January 1		**₱458,130,166**	₱550,180,498
Additions	31	**47,005,824**	110,748,448
Accretion of interest		**29,214,596**	37,177,238
Termination		**(505,087)**	(5,763,909)
Payments	31	**(232,659,549)**	(234,212,109)
At December 31		**₱301,185,950**	₱458,130,166

The Company recognized a gain on pre-termination of lease contracts amounting to ₱0.22 million and ₱2.46 million in 2025 and 2024, respectively.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Company's business needs. Management exercises significant judgment in determining whether these assets and termination options are reasonably certain to be exercised (see Note 3). Based on management's assessment, the Company will not terminate any contracts and/or plan to avail of the extension of contracts. The maturity analysis of lease liabilities is disclosed in (Note 30).

Company as lessor
The Company has entered into property leases consisting of the Company's surplus office spaces. These non-cancellable leases have remaining lease terms of less than 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases follow:

	2025	2024
Within one year	**₱1,606,262**	₱1,529,773
After one year but not more than five years	**1,686,575**	1,606,262
	₱3,292,837	₱3,136,035

30. Maturity Profile of Assets and Liabilities

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

	2025			2024		
	Due within one year	**Beyond one year**	**Total**	Due within one year	Beyond one year	Total
Assets						
Cash and cash equivalents	**₱9,609,267,664**	**₱–**	**₱9,609,267,664**	₱7,757,095,382	₱–	₱7,757,095,382
Insurance receivables						
Premiums due and uncollected	**1,356,441,634**	**–**	**1,356,441,634**	1,045,894,957	–	1,045,894,957
Due from reinsurers	**855,706,004**	**–**	**855,706,004**	415,424,531	–	415,424,531
Reinsurance recoverable on paid losses	**556,425,222**	**–**	**556,425,222**	243,586,757	–	243,586,757
Bonds recoverable on paid losses	**–**	**–**	**–**	–	–	–
Funds held by ceding companies	**20,275,084**	**–**	**20,275,084**	18,404,208	–	18,404,208
Financial assets at FVPL						
Listed equity securities	**858,504,230**	**–**	**858,504,230**	1,208,139,131	–	1,208,139,131
Investment in unit-linked fund	**453,523,795**	**–**	**453,523,795**	382,497,740	–	382,497,740
Unit investment trust funds	**705,704,716**	**–**	**705,704,716**	102,690,824	–	102,690,824
Government debt securities	**76,042,051**	**–**	**76,042,051**	76,710,763	–	76,710,763
AFS financial assets						
Government debt securities						
Local currency	**933,064,594**	**24,757,629,974**	**25,690,694,568**	1,288,612,364	21,808,753,411	23,097,365,775
Foreign currency	**5,905,120**	**–**	**5,905,120**	–	5,825,167	5,825,167
Corporate debt securities	**306,099,359**	**1,472,589,326**	**1,778,688,685**	660,562,518	1,151,808,811	1,812,371,329
Equity securities						
Listed	**–**	**158,865,633**	**158,865,633**	–	180,119,488	180,119,488
Unquoted	**56,650**	**–**	**56,650**	56,650	–	56,650
Golf club shares	**15,700,000**	**2,000,000**	**17,700,000**	15,550,000	1,950,000	17,500,000
Loans and receivables						
Policy loans	**510,349,733**	**–**	**510,349,733**	459,545,380	–	459,545,380
Due from unit-linked funds	**188,652,488**	**–**	**188,652,488**	296,008,088	–	296,008,088
Intercompany receivables	**270,109,629**	**–**	**270,109,629**	276,646,142	8,002,862	284,649,004
Due from officers and employees	**102,871,846**	**26,715,301**	**129,587,147**	81,511,486	20,044,953	101,556,439
Due from agents	**1,652,751**	**16,269,125**	**17,921,876**	24,310,346	11,129,398	35,439,744
Other receivables	**3,324,041**	**1,569,534**	**4,893,575**	9,127,031	528,233	9,655,264
Accrued income	**444,373,713**	**–**	**444,373,713**	382,774,105	–	382,774,105
Reinsurance assets	**2,504,288,515**	**–**	**2,504,288,515**	3,031,338,995	–	3,031,338,995
Deferred acquisition costs	**430,062,618**	**–**	**430,062,618**	256,115,025	–	256,115,025
Property and equipment - net	**–**	**353,897,438**	**353,897,438**	–	367,650,232	367,650,232
Assets held-for-sale	**73,286,376**	**–**	**73,286,376**	37,803,000	–	37,803,000
Right-of-use assets	**–**	**272,529,481**	**272,529,481**	–	425,781,240	425,781,240
Intangible assets - net	**–**	**389,136,112**	**389,136,112**	–	371,364,095	371,364,095

(Forward)

	2025			2024		
	Due within one year	**Beyond one year**	**Total**	Due within one year	Beyond one year	Total
Goodwill	**₱–**	**₱1,150,263,995**	**₱1,150,263,995**	**₱–**	**₱1,150,263,995**	**₱1,150,263,995**
Deferred tax assets - net	**–**	**436,240,134**	**436,240,134**	–	612,310,578	612,310,578
Assets held to cover unit-linked liabilities	**148,271,129,971**	**–**	**148,271,129,971**	141,242,994,887	–	141,242,994,887
Other assets	**464,685,463**	**151,289,116**	**615,974,579**	469,623,201	133,922,504	603,545,705
	₱169,017,503,267	**₱29,188,995,169**	**₱198,206,498,436**	₱159,783,023,511	₱26,249,454,967	₱186,032,478,478
Liabilities						
Insurance contract liabilities						
Claims and benefits payable	**₱4,864,236,963**	**₱–**	**₱4,864,236,963**	₱4,318,815,612	₱–	₱4,318,815,612
Policyholder's dividends	**413,116,694**	**–**	**413,116,694**	379,839,808	–	379,839,808
Legal policy reserves	**235,733,463**	**13,253,327,613**	**13,489,061,076**	216,032,188	11,598,196,435	11,814,228,623
Provision for IBNR	**3,410,759,103**	**–**	**3,410,759,103**	3,974,976,235	–	3,974,976,235
Provision for unearned premiums	**1,947,453,541**	**–**	**1,947,453,541**	1,632,825,989	–	1,632,825,989
Trade and other liabilities	**4,548,707,316**	**–**	**4,548,707,316**	4,289,716,941	–	4,289,716,941
Insurance payables	**1,521,441,271**	**–**	**1,521,441,271**	1,077,103,793	–	1,077,103,793
Life insurance deposits	**271,410,989**	**–**	**271,410,989**	311,801,686	–	311,801,686
Lease liabilities	**121,883,641**	**179,302,309**	**301,185,950**	193,090,377	265,039,789	458,130,166
Net pension liability	**–**	**123,928,033**	**123,928,033**	–	188,151,652	188,151,652
Premium deposit fund	**296,944,776**	**–**	**296,944,776**	347,407,438	–	347,407,438
Income tax payable	**–**	**–**	**–**	56,340,703	–	56,340,703
Deferred reinsurance commission	**31,388,337**	**–**	**31,388,337**	67,491,412	–	67,491,412
Unit-linked liabilities	**148,271,129,971**	**–**	**148,271,129,971**	141,242,994,887	–	141,242,994,887
	165,934,206,065	**13,556,557,955**	**179,490,764,020**	158,108,437,069	12,051,387,876	170,159,824,945
	₱3,083,297,202	**₱15,632,437,214**	**₱18,715,734,416**	₱1,674,586,442	₱14,198,067,091	₱15,872,653,533

31. Notes to Statements of Cash Flows

The Company engaged in the following financing activities:

	January 1, 2025	**Cash flows**	**Non-cash changes**	**December 31, 2025**
Lease liability (Note 29)	**₱458,130,166**	**(₱232,659,549)**	**₱75,715,333**	**₱301,185,950**
Dividends payable	**-**	**-**	**-**	**-**
	₱458,130,166	**(₱232,659,549)**	**₱75,715,333**	**₱301,185,950**

	January 1, 2024	Cash flows	Non-cash changes	December 31, 2024
Lease liability (Note 29)	₱550,180,498	(₱234,212,109)	₱142,161,777	₱458,130,166
Dividends payable	1,000,000,000	(2,500,000,000)	1,500,000,000	–
	₱1,550,180,498	(₱2,734,212,109)	₱1,642,161,777	₱458,130,166

The Company has non-cash additions to right-of-use assets amounting to ₱47.01 million and ₱110.75 million in 2025 and 2024, respectively (see Note 29).

32. Statement of Financial Position and Comprehensive Income (Life and Non-Life)

The statement of financial position for each unit or segment (life and non-life) of the Company is as follows:

	2025			
	Life	Non-Life	Adjustments	Total
ASSETS				
Cash and cash equivalents	**₱8,764,460,953**	**₱844,806,711**	**₱-**	**₱9,609,267,664**
Insurance receivables	**1,062,074,238**	**1,726,773,706**	**–**	**2,788,847,944**
Financial assets				
Financial assets at fair value through profit or loss	**2,002,614,339**	**91,160,453**	**–**	**2,093,774,792**
Available-for-sale financial assets	**22,984,004,190**	**4,667,906,466**	**–**	**27,651,910,656**
Loans and receivables - net	**1,828,653,385**	**24,401,363**	**(731,540,300)**	**1,121,514,448**
Accrued income	**380,485,258**	**63,888,455**	**–**	**444,373,713**
Reinsurance assets	**313,400,979**	**2,190,887,536**	**–**	**2,504,288,515**
Deferred acquisition costs	**–**	**430,062,618**	**–**	**430,062,618**
Property and equipment – net	**349,836,850**	**4,060,588**	**–**	**353,897,438**
Assets held-for-sale	**–**	**73,286,376**	**–**	**73,286,376**
Right-of-use assets - net	**272,529,481**	**–**	**–**	**272,529,481**
Intangible assets - net	**385,897,842**	**3,238,270**	**–**	**389,136,112**
Goodwill	**1,150,263,995**	**–**	**–**	**1,150,263,995**
Deferred tax assets - net	**187,862,591**	**248,377,543**	**–**	**436,240,134**
Other assets	**430,170,970**	**185,803,609**	**–**	**615,974,579**
	40,112,255,071	**10,554,653,694**	**(731,540,300)**	**49,935,368,465**
Assets held to cover unit-linked liabilities	**148,271,129,971**	**–**	**–**	**148,271,129,971**
	₱188,383,385,042	**₱10,554,653,694**	**(₱731,540,300)**	**₱198,206,498,436**
LIABILITIES AND EQUITY				
Liabilities				
Insurance contract liabilities	**₱18,766,414,733**	**₱5,358,212,644**	**₱–**	**₱24,124,627,377**
Trade and other liabilities	**3,278,494,664**	**2,001,752,952**	**(731,540,300)**	**4,548,707,316**
Insurance payables	**848,134,679**	**673,306,592**	**–**	**1,521,441,271**
Life insurance deposits	**271,410,989**	**–**	**–**	**271,410,989**
Lease liabilities	**301,185,950**	**–**	**–**	**301,185,950**
Pension liability - net	**135,483,372**	**(11,555,339)**	**–**	**123,928,033**
Premium deposit fund	**281,304,561**	**15,640,215**	**–**	**296,944,776**
Income tax payable	**105,217,613**	**(105,217,613)**	**–**	**–**
Deferred reinsurance commission	**–**	**31,388,337**	**–**	**31,388,337**
	23,987,646,561	**7,963,527,788**	**(731,540,300)**	**31,219,634,049**
Unit-linked liabilities	**148,271,129,971**	**–**	**–**	**148,271,129,971**
	172,258,776,532	**7,963,527,788**	**(731,540,300)**	**179,490,764,020**
Equity				
Capital stock	**1,230,000,000**	**770,000,000**	**–**	**2,000,000,000**
Contributed surplus	**1,650,764,836**	**–**	**–**	**1,650,764,836**
Contingency surplus	**9,343,183**	**3,270,000,000**	**(3,270,000,000)**	**9,343,183**
Retained earnings	**15,268,256,869**	**(1,456,005,351)**	**3,270,000,000**	**17,082,251,518**
Revaluation reserves on available-for-sale financial assets	**(441,527,566)**	**(72,701,147)**	**–**	**(514,228,713)**
Remeasurement gains on life insurance reserves	**1,002,896,218**	**–**	**–**	**1,002,896,218**
Actuarial gains on defined benefit plan	**5,803,184**	**79,832,404**	**–**	**85,635,588**
Treasury stock	**(2,600,928,214)**	**–**	**–**	**(2,600,928,214)**
	16,124,608,510	**2,591,125,906**	**–**	**18,715,734,416**
	₱188,383,385,042	**₱10,554,653,694**	**(₱731,540,300)**	**₱198,206,498,436**

	December 31, 2024			
	Life	Non-Life	Adjustments	Total
ASSETS				
Cash and cash equivalents	₱6,758,279,031	₱998,816,351	₱-	₱7,757,095,382
Insurance receivables	576,621,271	1,146,689,182	–	1,723,310,453
Financial assets				–
Financial assets at fair value through profit or loss	1,770,038,458	–	–	1,770,038,458
Available-for-sale financial assets	20,564,838,171	4,548,400,238	–	25,113,238,409
Loans and receivables - net	1,944,370,601	34,705,748	(792,222,430)	1,186,853,919
Accrued income	336,808,467	45,965,638	–	382,774,105
Reinsurance assets	310,316,183	2,721,022,812	–	3,031,338,995
Deferred acquisition costs	–	256,115,025	–	256,115,025
Property and equipment – net	365,625,282	2,024,950	–	367,650,232
Assets held-for-sale	–	37,803,000	–	37,803,000
Right-of-use assets - net	425,781,240	–	–	425,781,240
Intangible assets - net	370,303,383	1,060,712	–	371,364,095
Goodwill	1,150,263,995	–	–	1,150,263,995
Deferred tax assets - net	210,403,862	401,906,716	–	612,310,578
Other assets	379,956,075	223,589,630	–	603,545,705
	35,163,606,019	10,418,100,002	(792,222,430)	44,789,483,591
Assets held to cover unit-linked liabilities	141,242,994,887	–	–	141,242,994,887
	₱176,406,600,906	₱10,418,100,002	(₱792,222,430)	₱186,032,478,478
LIABILITIES AND EQUITY				
Liabilities				
Insurance contract liabilities	₱16,512,884,043	₱5,607,802,224	₱–	₱22,120,686,267
Trade and other liabilities	3,064,139,928	2,017,799,443	(792,222,430)	4,289,716,941
Insurance payables	631,873,845	445,229,948	–	1,077,103,793
Life insurance deposits	311,801,686	–	–	311,801,686
Lease liabilities	458,130,166	–	–	458,130,166
Pension liability - net	204,906,595	(16,754,943)	–	188,151,652
Premium deposit fund	324,062,526	23,344,912	–	347,407,438
Income tax payable	89,008,630	(32,667,927)	–	56,340,703
Deferred reinsurance commission	–	67,491,412	–	67,491,412
	21,596,807,419	8,112,245,069	(792,222,430)	28,916,830,058
Unit-linked liabilities	141,242,994,887	–	–	141,242,994,887
	162,839,802,306	8,112,245,069	(792,222,430)	170,159,824,945
Equity				
Capital stock	1,400,000,000	600,000,000	–	2,000,000,000
Contributed surplus	1,650,764,836	–	–	1,650,764,836
Contingency surplus	9,343,183	3,270,000,000	(3,270,000,000)	9,343,183
Retained earnings	12,777,418,732	(1,500,459,038)	3,270,000,000	14,546,959,694
Revaluation reserves on available-for-sale financial assets	(458,681,091)	(130,296,962)	–	(588,978,053)
Remeasurement gains on life insurance reserves	817,459,161	–	–	817,459,161
Actuarial gains on defined benefit plan	(28,578,007)	66,610,933	–	38,032,926
Treasury stock	(2,600,928,214)	–	–	(2,600,928,214)
	13,566,798,600	2,305,854,933	–	15,872,653,533
	₱176,406,600,906	₱10,418,100,002	(₱792,222,430)	₱186,032,478,478

The statement of comprehensive income for each unit or segment (life and non-life) of the Company is as follows:

	December 31, 2025			
	Life	Non-Life	Adjustments	Total
REVENUE				
Gross premiums on insurance contracts issued	**₱32,284,301,759**	**₱3,889,816,547**	–	**₱36,174,118,306**
Premiums ceded to reinsurers	**(785,864,311)**	**(1,452,939,528)**	–	**(2,238,803,839)**
Net insurance premiums	**31,498,437,448**	**2,436,877,019**	–	**33,935,314,467**
Subscriptions allocated to investment in unit-linked funds	**(19,191,278,049)**	–		**(19,191,278,049)**
	12,307,159,399	**2,436,877,019**	–	**14,744,036,418**
Gain on assets held to cover unit-linked liabilities	**11,054,868,134**	–	–	**11,054,868,134**
Asset management fees	**2,681,615,096**	–	–	**2,681,615,096**
Investment income	**1,652,512,204**	**288,176,132**	–	**1,940,688,336**
Commission income	–	**144,917,829**	–	**144,917,829**
Foreign exchange gains (losses) – net	**79,136,000**	**10,651,510**	–	**89,787,510**
Other income	**2,862,705**	**6,236,253**	–	**9,098,958**
	27,778,153,538	**2,886,858,743**	–	**30,665,012,281**
BENEFITS, CLAIMS AND OPERATING EXPENSES				
Gross benefits and claims	**27,419,902,750**	**1,629,896,524**	–	**29,049,799,274**
Reinsurer's share of gross benefits and claims	**(727,834,737)**	**(546,564,733)**	–	**(1,274,399,470)**
Gross change in insurance contract liabilities	–	**(544,318,619)**	–	**(544,318,619)**
Reinsurer's share of gross change in insurance contract liabilities	–	**352,174,529**	–	**352,174,529**
Decrease in unit-linked liabilities due to surrenders	**(24,017,730,396)**	–	–	**(24,017,730,396)**
Net benefits and claims incurred	**2,674,337,617**	**891,187,701**	–	**3,565,525,318**
Increase in legal policy reserves	**1,918,997,066**	–	–	**1,918,997,066**
Net insurance benefits and claims	**4,593,334,683**	**891,187,701**	–	**5,484,522,384**
Operating and administrative expenses	**6,714,909,279**	**1,160,463,999**	–	**7,875,373,278**
Increase in unit-linked liabilities due to gain on assets held to cover unit-linked liabilities	**11,054,868,134**	–	–	**11,054,868,134**
Commission expense	**1,650,712,237**	**763,703,058**	–	**2,414,415,295**
Premium and documentary stamp taxes	**294,625,297**	**(1,012,896)**	–	**293,612,401**
Agency development expenses	**204,477,777**	–	–	**204,477,777**
Interest on lease liabilities	**29,214,596**	–	–	**29,214,596**
Interest on premium deposit fund	**4,899,715**	–	–	**4,899,715**
Medical and inspection fees	**4,695,830**	–	–	**4,695,830**
Interest on defined benefit obligation	**8,011,151**	**(1,489,472)**	–	**6,521,679**
	24,559,748,699	**2,812,852,390**	–	**27,372,601,089**
INCOME BEFORE INCOME TAX	**3,218,404,839**	**74,006,353**	–	**3,292,411,192**
PROVISION FOR INCOME TAX	**727,566,702**	**29,552,666**	–	**757,119,368**
NET INCOME	**2,490,838,137**	**44,453,687**	–	**2,535,291,824**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified into profit or loss, net of tax				
Remeasurement gains (losses) on defined benefit plan	**34,381,191**	**13,221,471**	–	**47,602,662**
Net change in remeasurement on life insurance reserves	**185,437,057**	–	–	**185,437,057**
	219,818,248	**13,221,471**	–	**233,039,719**
Items that will be reclassified into profit or loss:				
Net change in fair value of available-for-sale financial assets	**17,153,525**	**57,595,815**	–	**74,749,340**
	236,971,773	**70,817,286**	–	**307,789,059**
TOTAL COMPREHENSIVE INCOME	**₱2,727,809,910**	**₱115,270,973**	**₱–**	**₱2,843,080,883**

	December 31, 2024			
	Life	Non-Life	Adjustments	Total
REVENUE				
Gross premiums on insurance contracts issued	₱27,230,001,892	₱3,212,407,856	₱–	₱30,442,409,748
Premiums ceded to reinsurers	(679,428,439)	(1,150,976,062)	–	(1,830,404,501)
Net insurance premiums	26,550,573,453	2,061,431,794	–	28,612,005,247
Subscriptions allocated to investment in unit-linked funds	(14,049,448,943)	–		(14,049,448,943)
	12,501,124,510	2,061,431,794	–	14,562,556,304
Gain on assets held to cover unit-linked liabilities	15,135,515,953	–	–	15,135,515,953
Asset management fees	2,728,586,173	–	–	2,728,586,173
Investment income	1,597,503,373	267,379,282	–	1,864,882,655
Commission income	–	129,665,019	–	129,665,019
Foreign exchange gains (losses) – net	85,287,969	(2,828,026)	–	82,459,943
Other income	2,199,344	9,661,054	–	11,860,398
Gross premiums on insurance contracts issued	32,050,217,322	2,465,309,123	–	34,515,526,445
BENEFITS, CLAIMS AND OPERATING EXPENSES				
Gross benefits and claims	29,139,118,022	1,361,869,062	–	30,500,987,084
Reinsurer's share of gross benefits and claims	(421,849,848)	(424,391,162)	–	(846,241,010)
Gross change in insurance contract liabilities	–	(430,264,531)	–	(430,264,531)
Reinsurer's share of gross change in insurance contract liabilities	–	325,872,587	–	325,872,587
Decrease in unit-linked liabilities due to surrenders	(25,672,193,607)	–	–	(25,672,193,607)
Net benefits and claims incurred	3,045,074,567	833,085,956	–	3,878,160,523
Increase in legal policy reserves	2,719,816,804	–	–	2,719,816,804
Net insurance benefits and claims	5,764,891,371	833,085,956	–	6,597,977,327
Operating and administrative expenses	6,048,782,262	851,953,461	–	6,900,735,723
Increase in unit-linked liabilities due to gain on assets held to cover unit-linked liabilities	15,135,515,953	–	–	15,135,515,953
Commission expense	1,462,535,812	621,086,126	–	2,083,621,938
Premium and documentary stamp taxes	278,731,959	98,394	–	278,830,353
Agency development expenses	161,332,138	–	–	161,332,138
Interest on lease liabilities	37,170,606	6,632	–	37,177,238
Interest on premium deposit fund	5,151,879	–	–	5,151,879
Medical and inspection fees	3,659,170	–	–	3,659,170
Interest on defined benefit obligation	5,486,133	(835,144)	–	4,650,989
	28,903,257,283	2,305,395,425	–	31,208,652,708
INCOME BEFORE INCOME TAX	3,146,960,039	159,913,698	–	3,306,873,737
PROVISION FOR INCOME TAX	682,941,510	113,945,420	–	796,886,930
NET INCOME	2,464,018,529	45,968,278	–	2,509,986,807
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified into profit or loss, net of tax				
Remeasurement gains (losses) on defined benefit plan	(51,953,716)	–	–	(51,953,716)
Net change in remeasurement on life insurance reserves	(114,641,528)	–	–	(114,641,528)
	(166,595,244)	–	–	(166,595,244)
Items that will be reclassified into profit or loss:				
Net change in fair value of available-for-sale financial assets	91,441,792	(49,788,478)	–	41,653,314
	(75,153,452)	(49,788,478)	–	(124,941,930)
TOTAL COMPREHENSIVE INCOME	₱2,388,865,077	(₱3,820,200)	₱–	₱2,385,044,877

33. Contingencies

The Company is a defendant in several lawsuits arising from the normal course of carrying out its insurance business. The Company currently does not believe these proceedings will have a material adverse effect on the Company's financial position.

34. **Supplementary Tax Information under Revenue Regulations No. 15- 2010**

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

a. Percentage Tax
The Company is engaged in the business of life insurance and paid the amount of ₱275.58 million as percentage tax pursuant to the provisions of Sec. 123 of the National Internal Revenue Code of 1997, as last amended by Revenue Memorandum Circular No. 22-2010.

b. Value Added Tax (VAT)
Revenue Memorandum Circular (RMC) No. 30-08, as amended by RMC 59-08 and RMC 49-2010, provides that management fees, rental income, or income earned by the life insurance company from services which can be pursued independently of the insurance business activity are not subject to 5% (now 2%) premium tax but the same are treated as income for services that are subject to the imposition of VAT pursuant to Section 108 of the Tax Code, as amended.

In compliance with the said RMC, the Company paid VAT amounting to ₱634.11 million (net of ₱190.27 Input VAT).

Details are as follows:

	Tax base	VAT
Non-life insurance	₱3,843,596,466	₱461,231,576
Asset management charge	2,681,615,094	321,793,811
Commission income	108,814,754	13,057,770
Salvage recoveries	83,261,719	9,991,406
Rental income	1,529,773	183,573
Other income	150,670,208	18,080,425
	₱6,869,488,014	₱824,338,561

c. Documentary Stamp Tax (DST)
The DST paid/accrued on the following transactions are:

Transaction	Tax base	DST
Life insurance policies		
Sum insured	₱672,152,492,333	₱6,623,170
Policy loan	193,049,762	1,460,201
Certificates		
Group insurance	414,060	12,421,810
Surety certificate	42,585	1,277,552
Others	5,932	177,960
Personal Accident Insurance	1,069,412,189,216	11,467,760
Property insurance	3,629,797,186	453,766,105
Other casualty and bonds	228,052,927	28,506,886
Agents' loan	16,825,690	126,193
Employees' loan	50,657,390	379,930
Contract of lease	101,489,318	203,016
	₱1,745,784,553,822	₱516,410,583

d. Other Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees lodged under the 'Operating and administrative expenses' sections in the Company's 2025 Statement of Comprehensive Income. Details consist of the following:

Local	
Local business tax and other permit fees	₱72,382,611
Community tax	1,708,467
Real property taxes	1,063,245
Health Certificate Fees	273,190
	75,427,513
National	
Fringe benefit tax	16,868,683
License fees	9,191,755
Regulatory body fees	3,691,401
BIR annual registration	-
Stamp duty	169,830
Other fees and taxes	90,833
	30,012,502
	₱105,440,015

e. Withholding Taxes

The amount of withholding taxes paid and accrued for the period 2025 amounted to:

	Amount paid	Amount outstanding
Tax on compensation and benefits	₱519,076,528	₱54,792,606
Expanded withholding taxes	382,452,696	35,242,103
Final withholding taxes	80,528,922	-
Final withholding VAT	21,155,153	5,328,268
	₱1,003,213,299	₱95,362,977

f. The Company received a Preliminary Assessment Notice (PAN) on June 11, 2025 for deficiency Income Tax (₱934,709.56), Value-Added Tax (₱13,143,800.65), Expanded Withholding Tax (₱6,385,674.00), Final Withholding VAT (₱1,856.44), and Miscellaneous Taxes (₱125,000.00) of Charter Ping An Insurance Corporation for the taxable year ended December 31, 2022 pursuant to electronic Letter of Authority No. AUDM25-125-2023-059435/SN: eLA202300005920 dated October 27, 2023. The Company settled assessed taxes on the June 20, 2025.

Moreover, during 2025, the Company received a Letter of Authority (LoA) No. AUDM29-125-2025-118458 / SN: eLA202400087135 from the Bureau of Internal Revenue (BIR), covering the period January 01, 2023 to December 31, 2023, dated June 02, 2025 and was duly received on June 10, 2025. The Company has submitted the documents, and as of the reporting date, no findings has been communicated.

Know You Can

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About AXA Philippines

Established in 1999, AXA Philippines is one of the largest and fastest growing insurance companies in the country. It offers financial security to close to 2 million individuals through its group and individual life insurance as well as general insurance products.

AXA Philippines is one of the first to introduce bancassurance operations in the country and is among the pioneers in the investment-linked insurance sector.

AXA Philippines is a joint venture between the AXA Group, headquartered in France, GT Capital Holdings, Inc. (GT Capital), a leading listed conglomerate in the Philippines, and Metropolitan Bank and Trust Company (Metrobank), one of the Philippines' largest financial institutions. It is duly recognized by the Insurance Commission and has license to operate and engage in life and general insurance business under License No. 2025/14-R.

About the AXA Group

The AXA Group is a worldwide leader in insurance and asset management, with 154,000 employees serving 95 million clients in 50 countries. In 2024, IFRS17 revenues amounted to Euro 110.3 billion and IFRS17 underlying earnings to Euro 8.1 billion. AXA had Euro 983 billion in assets under management, including assets managed on behalf of third parties, as of December 31, 2024.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.