

CERTIFICATION

I, MA. EDITHA S. PALTONGAN, the incumbent and duly elected Compliance Officer of BENEFICIAL LIFE INSURANCE COMPANY, INC., with SEC registration number 16680 with principal office at Beneficial Life Building, 166 Salcedo St., Legaspi Village, Makati City, on oath state that:

- 1) On behalf of BENEFICIAL LIFE INSURANCE COMPANY, INC. (the "Company"), I have caused the preparation and submission of this Definitive Information Statement (SEC Form 20-IS) in relation to the 2026 Annual Stockholders' Meeting of the Company;
- 2) I have read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) BENEFICIAL LIFE INSURANCE COMPANY, INC., will comply with the requirements set forth in SEC Notice dated May 12, 2021, for a complete and official submission of reports and/or documents through electronic mail;
- 4) I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of filing fee; and
- 5) The email account designated by the Company pursuant to SEC Memorandum Circular No. 28, series of 2020 shall be used by the company in its online submissions to the Corporate Governance and Finance Department of the SEC.

IN WITH WHEREOF, I have hereunto set my hand this MAY 29 2026 of _____.

MA. EDITHA S. PALTONGAN

Affiant

SUBSCRIBED AND SWORN to before me this MAY 29 2026 day of May 2026 at Makati City, affiant exhibited to me her Philippine Passport No. P2544046B with expiration date on 14 July 2029.

ATTY. CAESAR LEONARDO P. ACEBEDO

Notary Public City of Makati

Appt. No. 2025-171 (2025-2026)

Roll of Attorney's No. 73849

IBP No. 579495

PTR No. 10764907 1-05-2026

Doc. No. 24

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Beneficial Life Insurance Company, Inc.

Series of 2026

166 Salcedo St., Legaspi Village, Makati City 1229 P.O. Box 2903 Garcia St., Bo. Puso Punta Sta Ana Manila

T (+632) 8818-8671 • F (+632) 8554-7539 to 30, (+632) 8554-7539 WCE Compliance No. VIII-0025115, 03/27/2025



BenLife

www.benlife.com.ph

Alagang tunay. Alagang BenLife.

COVER SHEET

SEC Registration Number

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Company Name

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A	N	Y	,		I	N	C	.																					

Principal Office (No./Street/Barangay/City/Town/Province)

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Form Type

2	0	-	IS
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Department requiring the report

C	G	F	D
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Secondary License Type, If Applicable

N	/	A	
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Definitive Information Statement

COMPANY INFORMATION

Company's Email Address

corpsec@benlife.com.ph

Company's Telephone Number/s

(+632) 8818 8671

Mobile Number

09992297694

No. of Stockholders

6787

Annual Meeting
Month/Day

June 30, 2026

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

MA. SIGRID R. PINLAC

Email Address

corpsec@benlife.com.ph

Telephone Number/s

(+632)8818 8671

Mobile Number

09992297694

Contact Person's Address

7F Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City

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

**NOTICE AND AGENDA OF
2026 ANNUAL STOCKHOLDERS' MEETING**

NOTICE IS HEREBY GIVEN that the **Annual Stockholders' Meeting ("ASM")** of **BENEFICIAL LIFE INSURANCE COMPANY, INC. (the "Company")** will be held through remote communication via <https://www.benlife.com.ph/benlife-2026-ASM/> on **June 30, 2026**, Tuesday, at **3:00 o' clock in the afternoon** with the following:

AGENDA¹

1. Call to Order
2. Certification of Notice of Meeting and Quorum
3. Approval of the Minutes of the Previous ASM Held on 30 June 2025
4. Presentation of Annual Report and Approval of the Audited Financial Statements ("AFS")
5. Ratification and Confirmation of all Acts and Resolutions of the Board of Directors and its Committees, Officers and Management Since the 2025 ASM
6. Election of Members of the Board (including the Independent Directors)
7. Election of External Auditor
8. Consideration of Such Other Matters as May Properly Come Before the Meeting
9. Adjournment

Only stockholders of record at the close of business hours on June 08, 2026 are entitled to notice of, and vote at, this ASM.

In view of current circumstances and pursuant to and in accordance with the Company's Amended By-Laws, the Board of Directors during its Regular Meeting held on April 08, 2026, resolved that the Annual Stockholders' Meeting be held in a fully virtual format, thus, stockholders may only attend the ASM by remote communication, by voting *in absentia*, or by appointing a proxy.

Stockholders intending to participate in the meeting by remote communication must register at <https://form.jotform.com/benlifemis.com.ph/2026-ASM-registration> on or before 5:00 o'clock in the afternoon of 29 June 2026. Stockholders may vote by remote communication, or *in absentia* subject to validation procedures. The procedures for participation in the meeting through remote communication and for casting of votes *in absentia* are explained in the Information Statement.

Stockholders who intend to vote by proxy shall submit the duly accomplished proxy to, and must be received by, the Office of the Corporate Secretary, 7th/F Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City or via email to corpsec@benlife.com.ph not later than 5:00 P.M. of June 23, 2026. Validation of proxies shall be held on June 24, 2026 at 3:00 p.m. WE ARE NOT SOLICITING PROXIES.

All email communications should be sent to corpsec@benlife.com.ph on or before the designated deadlines.

Given this 2nd day of June 2026.

FOR THE BOARD OF DIRECTORS:



MA. SIGRID R. PINLAC
Corporate Secretary

¹ See next page for the explanation and rationale for each item in the Agenda

EXPLANATION AND RATIONALE OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 3:00 o'clock in the afternoon

Certification of Notice and Quorum

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Approval of the Minutes of the Annual Stockholders Meeting Held on June 30, 2025

The Minutes of the ASM held on June 30, 2025 are available at the Company website, www.benlife.com.ph. A soft copy of the minutes will also be distributed to the stockholders after their registration for the meeting.

Remarks: A resolution on this agenda item must be approved by the majority of the votes of the stockholders present and eligible to vote.

Resolution:

***“RESOLVED**, as it is hereby resolved, that the Minutes of the Annual Stockholders’ Meeting of the Company held on June 30, 2025 be, as the same is hereby, approved.”*

Presentation of the 2025 Annual Report and Approval of the Audited Financial Statements (AFS)

The AFS as at December 31, 2025 will be presented for approval by the stockholders. Prior thereto, the President, Mr. Jaime C. Fernandez, will deliver a report to the stockholders on the performance of the Company in 2025 and the outlook for 2026. The AFS will be embodied in the Information Statement to be sent to the stockholders at least twenty-one (21) calendar days prior to the meeting.

Remarks: A resolution on this agenda item must be approved by the majority of the votes of the stockholders present and eligible to vote.

Resolution:

***“RESOLVED**, as it is hereby resolved, that the Audited Financial Statements (‘AFS’) of the Company for the year ended December 31, 2025 be, as the same are hereby, approved.”*

Ratification and Confirmation of All Acts and Resolutions of the Board of Directors and its Committees, Officers and Management Adopted Since the 2025 ASM

Ratification by the stockholders will be sought for all the acts and resolutions of the Board and all the acts of the Management of the Company since the ASM on June 30, 2025. The acts and resolutions of the Board and its committees include approval of contracts and agreements, projects and investments, treasury matters, and acts and resolutions covered by disclosures to the Securities and Exchange Commission and the Insurance Commission. The acts of Management were those taken to implement the resolutions of the Board and/or its Committees, or taken in the general conduct of business.

Remarks: A resolution on this agenda item must be approved by the majority of the votes of the stockholders present and eligible to vote.

Resolution:

“RESOLVED, as it is hereby resolved, that the acts and resolutions of the Board and its Committees, as well as those of the Management, made and adopted since the last Annual Stockholders’ Meeting of the Company be, as the same are hereby, approved.”

Election of Members of the Board (including Independent Directors)

In accordance with the Amended By-laws of the Company, the Revised Manual on Corporate Governance and relevant SEC rules, any stockholder, including minority stockholders, may submit to the Corporate Governance Committee of the Company nominations to the Board prior to the ASM. The Corporate Governance Committee will determine whether the nominees for directorship, including the nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the same for election by the stockholders. The profile of the nominees to the Board is in the Information Statement for distribution to the stockholders, and will be uploaded to the Company website for examination by the stockholders.

Remarks: The directors are elected by plurality votes using the cumulative voting method. The tally of votes will be reflected in the Minutes of the 2026 ASM.

Election of External Auditor

For the fiscal year 2026, the accounting firm of Reyes Tacandong & Co. was nominated to act and serve as external auditor of the Company. The profile of the external auditor will be provided in the Company website for examination by stockholders.

Remarks: A resolution on this agenda item must be approved by the majority of the votes of the stockholders present and eligible to vote.

Resolution:

“RESOLVED, that the election of Reyes Tacandong & Co. as external auditor of the Company for the year 2026 be, as it is hereby confirmed and approved.”

Consideration of Such Other Matters as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions, and take up items included in the agenda, received from the stockholders in accordance with the existing relevant laws, rules and regulations of the Securities and Exchange Commission.

Adjournment

Upon determination that there are no other matters to be considered, the Chairman shall declare the meeting adjourned.

WE ARE NOT SOLICITING YOUR PROXY.

Stockholders who wish to cast their votes may do so via method provided for voting *in absentia* or by accomplishing the proxy form provided below. The detailed procedure for casting votes *in absentia* shall be sent securely to the stockholders. Stockholders who wish to vote by proxy shall send the scanned copy of the proxy via email to corpsec@benlife.com.ph or hard copy thereof to, and must be received by, the Office of the Corporate Secretary at 7/F Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City on or before 5:00 p.m. of 24 June 2026. Validation of proxies shall be held on June 26, 2026 at 10:00 a.m. at the Office of the Corporate Secretary.

PROXY

The undersigned stockholder of **BENEFICIAL LIFE INSURANCE COMPANY, INC.** (the "Company") hereby appoints _____, as his/her attorney-in-fact and proxy, with power of substitution, to present and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the annual meeting of stockholders of the Company on June 30, 2026 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of Minutes of the Annual Stockholders' Meeting held on June 30, 2025

___ Yes ___ No ___ Abstain

2. Approval of Annual Report and 2025 Audited Financial Statements

___ Yes ___ No ___ Abstain

3. Ratification of all acts and resolutions of the Board and its Committees, and Officers and Management adopted during the preceding year

___ Yes ___ No ___ Abstain

4. Election of Directors

No. of Votes

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Jaime C. Fernandez	_____	_____	_____
Maria Elena C. Fernandez	_____	_____	_____
Santiago Gabriel Fernandez	_____	_____	_____
Roberto F. De Ocampo	_____	_____	_____
Jaime F. Panganiban	_____	_____	_____
Cesar O. Virtusio	_____	_____	_____
Paul P. Sagayo, Jr.	_____	_____	_____

Independent Directors

John E. Huang	_____	_____	_____
Damian Domingo O. Mapa	_____	_____	_____

5. Election of Reyes Tacandong & Company as External Auditor

___ Yes ___ No ___ Abstain

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder/
Authorized Signatory

Address of Stockholder

Contact Telephone Number

Date

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. IN ADDITION TO THE ABOVE REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK CARRIED BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATIONS CODE**

1. Check the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of registrant as specified in its Charter:

BENEFICIAL LIFE INSURANCE COMPANY, INC.

3. Province, Country or other jurisdiction of incorporation or organization:

Metro Manila, Philippines

4. SEC Identification Number **16680**

5. BIR Tax Identification No. **000-883-987**

6. Address of Principal Office: **Beneficial Life Building, 166 Salcedo Street, Legaspi Village,
Makati City, 1229 Philippines**

7. Registrant's telephone number: **(632) 8818-8671**

8. Date, time and place of the meeting of the security holders:

Date: **June 30, 2026**

Time: **3:00pm**

Place:

Online web address/URL

Registration link: <https://form.jotform.com/benlifemis.com.ph/2026-ASM-registration>

For participation via remote communication: <https://www.benlife.com.ph/benlife-2026-ASM/>

For voting in absentia: <https://form.jotform.com/benlifemis.com.ph/2026-ASM-polls>

9. Approximate date on which the Information Statement is to be first sent or given to security holders:

June 08, 2026

10. In case of Proxy Solicitations: **N/A**

11. Securities registered pursuant to Sections 8 and 12 of the Code, or Sec. 4 and 8 of the RSA
(information on number of shares and amount of debt is applicable only to corporate registrants)

Title of each class

No. of shares of Common Stocks

Outstanding or Amount of Debt Outstanding

N/A

12. Are any or all of these securities listed on the Philippine Stock Exchange ("PSE")

Yes ☐

No ☒

INFORMATION REQUIRED IN THE INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of the 2026 Annual Stockholders' Meeting (ASM)

- a. Date : June 30, 2026
Time : 3:00 o'clock in the afternoon
Place : 8/F Board Room Beneficial Life Building
166 Salcedo St., Legaspi Village
Makati City

Online web address/URL

For participation via remote communication: <https://www.benlife.com.ph/benlife-2026-ASM/>

For voting *in absentia*: <https://form.jotform.com/benlifemis.com.ph/2026-ASM-polls>

Registrant's Mailing Address: Beneficial Life Building, 166 Salcedo Street,
Legaspi Village, Makati City, 1229

- b. Approximate date when the Information Statement
is to be first sent to the stockholders:

June 08, 2026

Taking cognizance of a broader, wider coverage and scope, and certainly, farther reach in sending out Notice of Meeting via publication in both online and print formats, and in order to achieve the most number and meaningful stockholders' participation, the Company intends to distribute the Information Statement along with the Notice of ASM and other documents through the alternative mode prescribed by the Securities and Exchange Commission for publicly listed companies, in addition to the service via mail and email.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenters' Right of Appraisal

There are no matters or proposed actions included in the Agenda of the 2026 Annual Stockholders' Meeting that may give rise to a possible exercise by stockholders of their appraisal rights. Generally, however, the stockholders of the Company have the right of appraisal in the following instances, as provided under the Revised Corporation Code: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds for any purpose other than the primary purpose for which it was organized.

Any stockholder who wishes to exercise his/her appraisal right must have voted against the proposed corporate action. He/she must also make written demand on the Company, within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his/her shares. Failure to make the demand within such period shall be deemed a waiver of the exercise of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his/her shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the stockholder and the Company. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made.

No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his/her shares to the Company.

THERE ARE NO MATTERS THAT WILL BE PRESENTED FOR STOCKHOLDERS' APPROVAL DURING THE ANNUAL MEETING THAT MAY OCCASION THE EXERCISE OF THE RIGHT OF APPRAISAL.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a. No current director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year had any substantial interest, direct or indirect, by security holdings or otherwise, in any matters to be acted upon in the meeting, other than election to office.
- b. No director has informed the Company in writing that he intends to oppose an action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a. Class of Voting Shares

The Company has six hundred twenty six million seven hundred fifty six thousand four hundred ninety four (626,756,494) outstanding common shares. There are approximately six thousand seven hundred eighty four (6,784) stockholders as of April 30, 2026. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.

Top 20 Shareholders as of April 30, 2026:

NO.	NAME OF STOCKHOLDERS	NO. OF SHRS.	PERCENTAGE	NATIONALITY
1	FMF DEVELOPMENT CORPORATION	508,131,734	81.0732%	Filipino
2	MERJE Trading, Inc.	71,555,127	11.4167%	Filipino
3	JCF Investment Holdings, Inc.	4,163,321	0.6643%	Filipino
4	San Bartel Investment, Inc.	2,817,753	0.4496%	Filipino
5	IBank T/A No. 01-IMA-014	1,551,450	0.2475%	Filipino
6	Robert P. Agner	1,043,222	0.1664%	Filipino
7	FEBTC A/C No. 4124-0006-5	734,372	0.1172%	Filipino
8	FEBTC A/C No. 116-0006	325,563	0.0519%	Filipino
9	Teresita S. Ela &/or Teodoro S. Ela III	308,874	0.0493%	Filipino
10	Odulina Lolita B. Fungo	297,007	0.0474%	Filipino
11	Teodoro M. Ela &/or Teodoro S. Ela III	294,977	0.0471%	Filipino
12	Benito Legarda, Jr.	225,529	0.0360%	Filipino
13	Herminio S. Ozaeta, Jr.	211,746	0.0338%	Filipino
14	Jose Roman S. Ozaeta	211,746	0.0338%	Filipino
15	Ma. Carmen S. Ozaeta	211,746	0.0338%	Filipino
16	Ma. Natividad S. Ozaeta	211,746	0.0338%	Filipino
17	Ma. Victoria S. Ozaeta	211,746	0.0338%	Filipino
18	Frank Y. Huang	176,449	0.0282%	Filipino
19	Carlos S. Martinez	176,449	0.0282%	Filipino
20	Melitona Estate, Inc.	176,449	0.0282%	Filipino
	Total for the Top 20 Stockholders	593,037,006	94.6200%	
	Various Stockholders	33,719,488	5.3800%	Various
	Total Issued & Outstanding Shares	<u>626,756,494</u>	<u>100.0000%</u>	

- b. Record Date

Stockholders of record as of June 08, 2026 are entitled to notice and to vote in the Annual Stockholders' Meeting.

c. Election of Directors, Manner of Voting, and Cumulative Voting Rights

Section 6 (A), (B) and (C) of the By-laws of the Company provide:

Section 6 (A) – At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholder present so request, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by three (3) inspectors, to be appointed by the chairman of the meeting.

Section 6 (B) – Each stockholder shall have one (1) vote for each share of stock entitled to vote as provided in the Articles of Incorporation or otherwise by law and registered in his name on the books of the Corporation.

Section 6 (C) – At any meeting of the stockholders, each stockholder shall be entitled to vote either in person or by proxy appointed by instrument in writing subscribed by such stockholder or by his duly authorized attorney and delivered to the Secretary or to the inspectors at the meeting.

Pursuant to Sections 57 and 23 of the Revised Corporation Code and Amended By-Laws, as well as the relevant Board Resolution which was passed and approved during the Regular Board Meeting held on 08 April 2026, the Board has approved the holding of the 2026 Annual Stockholders' Meeting in a virtual format. Stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing a proxy.

Election of Directors and Cumulative Voting Rights

In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he/she owns, multiplied by the number of directors to be elected. All stockholders have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he/she may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she shall see fit. The total number of votes cast by him/her shall not, however, exceed the number of shares owned by him/her, multiplied by the number of directors.

d. Security Ownership of Certain Record and Beneficial Owners and Management

- (i) Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of April 30, 2026.

As of April 30, 2026, the Company knows no one who beneficially owns in excess of five percent (5%) of its common stock except as set forth in the table below:

Title of Class	Name, address of record owner and relationship w/ issuer	Name of beneficial owner and relationship w/ record owner	Citizenship	No. of shares held	Percent
Common	FMF Development Corp. ("FMF") 3F Alpap I Bldg., 140 Leviste St. Salcedo Village, Makati City (Parent Company)	Roberto C. Fernandez (Chairman of the Board and stockholder); Jaime C. Fernandez (President and Director and Stockholder)	Filipino	508,131,734	81.07%
Common	Merje Trading, Inc. ("Merje") 1381 Palm Avenue, Dasmarinas Village, Makati City (Related Party)	Jaime C. Fernandez (President and Director and Stockholder)	Filipino	71,555,127	11.42%

Both domestic corporations are the registered owners on record based on the corporate books of the Company. FMF, however, has approximately sixty eight thousand five hundred fifty seven (68,557) stockholders while Merje is a closely-held corporation.

FMF is represented by its Chairman, Mr. Roberto C. Fernandez. Merje, on the other hand, is represented by its President, Mr. Jaime C. Fernandez.

The officers and shareholders of Merje are members of the Fernandez family, which include Messrs. Enrique, Jaime and Roberto Fernandez, and Ms. Maria Elena C. Fernandez.

(ii) Security Ownership of Directors and Management (Executive Officers) as of April 30, 2026:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (All Direct)	Percentage (of total outstanding shares)
Directors			
Common	Maria Elena C. Fernandez	16,462	0.0026265%
Common	Paul P. Sagayo, Jr.	10	0.0000016%
Common	Roberto F. de Ocampo	10	0.0000016%
Common	Cesar O. Virtusio	10	0.0000016%
Common	Jaime F. Panganiban	10	0.0000016%
Common	John E. Huang	10	0.0000016%
Common	Santiago Gabriel O. Fernandez	10	0.0000016%
Common	Damian Domingo O. Mapa	10	0.0000016%
President & CEO and Executive Officers			
Common	Jaime C. Fernandez*	34,106	0.0054416%
Common	Ma. Editha S. Paltongan	99,143	0.0158184%
Common	Devorah Q. Dela Cruz	8,957	0.0014291%
Common	Teresita E. Ullegue	8,205	0.0013091%
All officers and directors as a group including qualifying shares		166,943	0.0266360%

**Mr. Jaime C. Fernandez indirectly owns 0.664% pursuant to SEC Memorandum Circular No. 15, series of 2019*

(iii) Voting Trust Holders of 5% or More

The Company knows no person holding more than five percent (5%) of common shares under a voting trust or similar agreement which may result in a change in control of the Company during the period covered by this report.

(iv) Change in Control

No change of control in the Company has occurred since the beginning of its last fiscal year.

e. Certain Relationships and Related Party Transactions

FMF Development Corporation ("FMF") is the parent company of the Registrant with 81% ownership of the total outstanding capital stock. The Registrant's financial statements are consolidated with that of the parent on an annual basis.

Registrant's wholly owned subsidiary is Solana Investment Holdings Corp. ("SIHC") was dissolved following the approval thereof during the Board and Stockholders' meeting held last October 21, 2021. SIHC was an investment company with holdings in foreign currency denominated securities. The transfer of the assets was completed in December 2021.

Beneficial Financial Advisors, Inc. ("BFAI"), also a wholly owned subsidiary of Registrant, had its corporate term ended in June 30, 2023.

The Board of Directors and stockholders of BFAI approved a resolution for the cessation of its business operations effective December 15, 2021, and shortening of the company's term of existence until June 30, 2023. BFAI, then, further amended its Amended Articles of Incorporation carry into effect said Board-approved resolutions, and duly submitted the same to the Securities and Exchange Commission (SEC). The SEC issued the Certificate of Filing of Amended Articles of Incorporation of BFAI on April 22, 2022.

No other transaction was undertaken by the Registrant in which any director or executive officer was involved or had a direct or indirect material interest aside from the loans granted as disclosed under Notes 7 and 16 of the audited financial statements and Supplementary Schedule B.

Related party transactions shall be conducted at arm's-length and on terms that are at least comparable to normal commercial terms in order to safeguard the best interest of the Company, its policyholders, claimants and creditors. In all cases, the applicable and relevant provisions of the Insurance Code, as amended, and the Revised Corporation Code, shall be complied with by the Company.

Any related party transaction shall be disclosed fully by Management to the Board, and prior approval by the Board shall be obtained for all related party transactions which are material in nature.

Moreover, a director is required to report any dealings or transactions relating to the Company's shares within three (3) business days from occurrence thereof. The Related Party Transaction Committee composed of members, majority of which shall be independent directors shall conduct a review of the material or significant related party transaction and determine whether the subject transaction/s when entered into and executed will redound to the best interest of the Company.

Item 5. Directors and Executive Officers

a. Board of Directors

Article III, Sections 1 and 2 of the Amended By-Laws of the Company provide:

“Section 1. Number of Members

The number of directors of the Corporation shall be nine (9) including the independent directors as may be required by law.”

Section 2. Term of Office

“Each director shall hold office for one (1) year and until his successor is duly elected and has qualified; provided however that any director may be removed from office, with or without cause, at any time by two-thirds (2/3) vote of the subscribed capital stock entitled to vote.”

The attendance of the directors at the meetings of the Board of Directors and of stockholders held during the year 2025 is as follows:

Directors	No. of Board (Regular/Special) Meetings Attended/Held	Present	No. of SM Meetings Attended/Held	Present
John E. Huang**	6/6	100%	1/1	100%
Damian Domingo O. Mapa**	4/4	100%	1/1	100%
Jaime C. Fernandez	6/6	100%	1/1	100%
Maria Elena C. Fernandez	5/6	83%	1/1	100%
Santiago Gabriel O. Fernandez	5/6	83%	1/1	100%
Paul P. Sagayo, Jr.	6/6	100%	1/1	100%
Jaime F. Panganiban	6/6	100%	1/1	100%
Cesar O. Virtusio	6/6	100%	1/1	100%
Roberto F. de Ocampo	6/6	100%	1/1	100%

** Independent Director

b. Board Committees

The Board delegates and carries out its various responsibilities through its Committees. Further, it delegates specific responsibilities to its respective Committees which focus on relevant areas in accordance with any and all applicable law and regulations. The different Committees of the Board and its membership for the term 2025-2026 are as follows:

Director	Board Committees			
	Board Risk Oversight (absorbed the Assets & Liabilities Committee)	Audit	Corporate Governance (absorbed the Nomination & Remuneration Committee)	Related Party Transaction
John E. Huang**	C	M	C	M
Damian Domingo O. Mapa**	M	C	M	C
Jaime C. Fernandez***	-	-	AM	-
Roberto F. de Ocampo	AM	M	-	M
Jaime F. Panganiban	M	AM	-	AM
Cesar O. Virtusio	AM	-	M	-
Paul P. Sagayo, Jr.	-	AM	AM	AM

C - Chairman; M-Member; AM- Alternate Member

** Independent Director

*** Executive Director

c. The Composition of the Board of Directors/Nominees for Election at the 2026 Annual Stockholders' Meeting and Executive Officers

(i) Current Board of Directors as of April 30, 2026

Name	Age (as of April 30, 2026)	Citizenship	Percent Stockholdings (of total outstanding Company shares)
Jaime C. Fernandez	70	Filipino	0.0054416%
Maria Elena C. Fernandez	63	Filipino	0.0026265%
Santiago Gabriel O. Fernandez	32	Filipino	0.0000016%
Paul P. Sagayo, Jr.	58	Filipino	0.0000016%
Roberto F. de Ocampo	80	Filipino	0.0000016%
Jaime F. Panganiban	75	Filipino	0.0000016%
Cesar O. Virtusio	79	Filipino	0.0000016%
John E. Huang**	68	Filipino	0.0000016%
Damian Domingo O. Mapa**	63	Filipino	0.0000016%

** Independent Director

All nominations for directors to be elected to Board by the stockholders shall be in writing and submitted to either through the Corporate Secretary or directly to the Board on or before the date which the the Board may fix, provided that submissions of any and all nomination(s) shall no longer be accepted and/or accommodated within ten (10) business days prior to the Annual Stockholders' Meeting.

The Corporate Secretary shall submit all the names of nominees (along with the respective profile(s) of new nominee(s)) to the Corporate Governance Committee which reviews and screens the qualifications, and ensures that all nominees in the final list (both for regular Directors and Independent Directors) possess all the qualifications required by relevant laws, rules, regulations, Company's Amended By-Laws and Revised Manual on Corporate Governance, and no provision on disqualification would apply to any of them. The Corporate Governance Committee shall endorse and submit to the Board the final list of nominees eligible for election as directors. No nominations will be entertained or allowed on the floor during the Annual Stockholders' Meeting.

(ii) Nominees for Election to the Board of Directors for the Term 2026-2027

The following are the nominees (including the nominees for independent director) for the election to the Board in the coming 2026 Annual Stockholders' Meeting:

Name	Age (as of April 30, 2026)	Citizenship	Percent Stockholdings (of total outstanding Company shares)
Jaime C. Fernandez	70	Filipino	0.0054416%
Maria Elena C. Fernandez	63	Filipino	0.0026265%
Santiago Gabriel O. Fernandez	32	Filipino	0.0000016%
Paul P. Sagayo, Jr.	58	Filipino	0.0000016%
Roberto F. de Ocampo	80	Filipino	0.0000016%
Jaime F. Panganiban	75	Filipino	0.0000016%
Cesar O. Virtusio	79	Filipino	0.0000016%
John E. Huang**	68	Filipino	0.0000016%
Damian Domingo O. Mapa**	63	Filipino	0.0000016%

** Independent Director

Ms. Jocelyn O. Obispo who is a minority stockholder and not related to any of the nominees formally nominated Mr. Jaime C. Fernandez while all other incumbent directors including independent directors were re-nominated by Mr. Jaime C. Fernandez.

Messrs. John E. Huang and Damian Domingo O. Mapa are incumbent independent directors of Registrant. Pursuant to the applicable rules and regulations of the IC and the SEC, the Company is required to have at least two (2) Independent Directors. For the term 2026-2027, the Company is expected to have two (2) independent directors with the re-nomination of Mr. Damian Domingo O. Mapa and Mr. John E. Huang; both are expected to be formally re-elected as independent directors during the Annual Stockholders' Meeting.

The nominated independent directors are not related to other members of the Corporate Governance Committee; they are neither officers nor employees of the Company or any of its affiliates, and do not have any relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director. They possess all the qualifications and none of the disqualifications for nomination and election as independent directors. Appended in **Annex "A"** hereof are the respective Certifications of Independent Directors.

The positions of Chairman of the Board, President and Chief Executive Officer, Chief Investment Officer, Treasurer, Corporate Secretary, Compliance Officer, and other Key Executive Officers shall be elected at the first meeting of the Board after the annual election of directors, and shall hold office for one (1) year and/or until their respective successors shall have been elected and qualified. All Key Executive Officers of the Company are subject to removal at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the Board. Vacancies occurring among such Officers shall be filled by the Board. However, the Board may, in its discretion, leave unfilled for such period as it may deem proper, any office except that of the President, Treasurer, and Corporate Secretary.

The following is the list of Executive Officers of the Company as of April 30, 2026:

Executive Officers			
Name	Position/Rank/Title	Age	Citizenship
Jaime C. Fernandez	President and CEO	70	Filipino
Ma. Editha S. Paltongan	SVP- Treasurer & Controller & Compliance Officer	59	Filipino
Rex Stewart Y. Cheung	VP- Chief Investment Officer	49	Filipino
Ma. Sigrid R. Pinlac	VP- Corporate Secretary & HRLRA Head	47	Filipino
Joy S. Vianzon	Vice President – Chief Accountant	57	Filipino
Danilo M. Mercado	Vice President for Metro Manila Sales	66	Filipino
Teresita E. Ullegue	Vice President – Policy Admin	72	Filipino
Juanito B. Tan	Deputy Head- Company Operations	72	Filipino
Glenn P. Abuzo	Asst. Vice President - MIS	55	Filipino
Maritess M. Llapitan	Asst. Vice President - Underwriting	58	Filipino
Devorah Q. Dela Cruz	Asst. Vice President – Credit & Collections	65	Filipino
Elizabeth T. Flores	Asst. Vice President - Healthcare	66	Filipino
John Jorge S. Orbe	Asst. Vice President - Facilities	54	Filipino

Please refer to the attached **Annexes "A" and "B"** for the brief profile of the Directors/Nominees and Executive Officers of the Company, respectively.

(iii) Significant employees

All employees are expected to make reasonable contribution to the success of the business of the Company and to the fulfillment of its goals. There is no "significant employee" as defined in Part IV (A)(2) Rule 12 of the SRC (i.e. a person who is not an executive officer of the Company but who is expected to make a significant contribution to the business).

(iv) Family Relationships

The President & CEO, Mr. Jaime C. Fernandez, and Director Maria Elena C. Fernandez, are siblings, while Mr. Santiago Gabriel Fernandez is their nephew, being son of Mr. Roberto C. Fernandez, the former Chairman of the Board.

(v) Involvement in Certain Legal Proceedings

There are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five (5) years to which the Company is a party, or of which any of its material properties is subject in any court or administrative government agency.

To the knowledge and/or information of the Company as set forth in the records, none of the nominees for election as Directors, its current members of the Board, or its Executive Officers have been subject of the following legal proceedings during the last five (5) years:

1. bankruptcy petition filed by or against any business of which such director or officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. conviction by final judgment in a criminal proceeding, domestic or foreign;
3. final order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated; or
4. final judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, the SEC or comparable foreign body, or a domestic or foreign exchange, which has not been reversed, suspended or vacated.

(vi) Resignation of Directors

No director has resigned or declined to stand for re-election to the Board since the date of the Company's last Annual Stockholders' Meeting because of a disagreement with the Company's Management on any matter relating to its operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

a. Executive Compensation

Summary Compensation Table

Information as to the aggregate compensation paid or accrued during the last three (3) fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four (4) other most highly compensated executive officers and all other officers/directors are as follows:

<u>Name/Position</u>	<u>FY</u>	<u>Salaries</u>	<u>Bonus</u>	<u>Others</u>
Jaime C. Fernandez, President and CEO;	2026*	25,000,000	5,000,000	8,500,000
Rex Stewart Y. Cheung, VP-Chief	2025	22,791,127	4,130,000	7,507,492
Investment Officer; Ma. Editha S.	2024	21,198,188	8,437,353	6,080,178
Paltongan, SVP-Comptroller; Atty. Ma.	2023	21,450,511	7,177,475	5,527,435
Sigrid Pinlac, VP-HRLRA; Glenn P.				
Abuzo, AVP-MIS				
estimate for 2026	2026	23,000,000	9,500,000	8,000,000
All other officers and directors as a group	2025	21,529,067	7,656,256	7,729,376
unnamed	2024	18,239,309	7,465,542	6,011,037
	2023	19,550,786	6,908,678	5,464,579

b. Compensation of Directors

All members of the Board are entitled to a maximum total share of five percent (5%) Directors' Bonus based on Net Income after tax of the preceding year. Each member receives a per diem of forty thousand pesos (Php40,000.00) per board meeting and twenty thousand pesos (Php20,000.00) per committee meeting.

There are no other arrangements or contracts pursuant to which any director of the Company was compensated or is to be compensated, directly or indirectly during the last fiscal year and the ensuing year.

c. Employment Contracts and Termination of Employment

All Executive Officers, except for the Vice President for Policy Administration & Services, Deputy Head for Company Operations, Assistant Vice President for Healthcare, and Assistant Vice President for Credit & Collections, respectively who are on a retainer/consultancy fee basis, are under employment contracts and are entitled to a maximum total share of three percent (3%) Management Bonus based on Net Income after tax of the preceding year. They are also entitled to receive retirement benefits as required by law. There is no other compensatory plan or arrangement, other than retirement, which any executive officer shall receive in case of resignation or termination.

d. There are no outstanding warrants or options held by any of the executive officers or directors.

Item 7. Independent Public Accountants

- a. The accounting firm of Reyes Tacandong & Co. (RT & Co.) was the Company's Independent Public Accountant for the completed fiscal year 2025. The same accounting firm RT & Co. is being recommended for re-election at the Annual Stockholders' Meeting of the Company. Pursuant to the requirements of SRC Rule 68 Par. 3, the Company has engaged RT & Co., as the external auditor with Ms. Carolina P. Angeles as the Partner-in-Charge. Ms. Angeles was the very first partner-in-charge who assumed the responsibility as a signing partner in the year 2016, up to year 2019. Should RT & Co. be elected during the Annual Stockholders' Meeting, the Company shall ensure compliance with the provisions of the SRC rule 68, as amended, particularly on Section 3.B(ix) on the rotation of external auditors or signing partners and the cooling off period requirement as the case may be.

The stockholders elect the Company's External Auditors during the Annual Stockholders' Meeting. The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the Board and ensures that audit services rendered shall not impair or derogate the independence of the External Auditors or violate SEC regulations.

Likewise, the Audit Committee determines any non-audit work performed by External Auditors, and ensures that such work will not conflict with External Auditors' duties as such or threaten its independence. The members of the Audit Committee for the as of December 31, 2025 are as follows:

<i>Damian Domingo O. Mapa</i>	-	<i>Chairman</i>
<i>John E. Huang</i>	-	<i>Member</i>
<i>Roberto F. de Ocampo</i>	-	<i>Member</i>
<i>Jaime F. Panganiban</i>	-	<i>Member (alternate)</i>
<i>Paul P. Sagayo, Jr.</i>	-	<i>Member (alternate)</i>

The accounting firm Reyes Tacandong & Co. will be nominated to act as External Auditor of the Company for the fiscal year 2026. Reyes Tacandong & Co. has accepted the Company's invitation stand for its re-election this year.

The nominee must be elected by a majority vote during the Annual Stockholders' Meeting in order for it to act as the Company's independent public accountant for the year 2026.

b. Representatives of Reyes Tacandong & Co. will be present during the Annual Stockholders' Meeting and will be given the opportunity to make a statement if they so desire. They are also expected to respond to relevant questions if needed and to count and/or validate the votes, as may be necessary, during the Annual Stockholders' Meeting.

c. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There was no event during the last fiscal year covered by this report where the Company and Reyes Tacandong & Co. or the audit/handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

d. **Audit and Audit-Related Fees**

Reyes Tacandong & Co., was paid the amount of Two Million, Eighty-Five Thousand, One Hundred Sixty Pesos (Php2,085,160.00) for the fiscal year 2025 as Audit Fees, versus the amount of One Million Nine Hundred Forty Thousand, Six Hundred Eighty Pesos (Php1,940,680.00) paid for the fiscal year 2024. The Audit Fees include compensation for audit services for the Company.

There were no non-audit related fees paid to Reyes Tacandong & Co. during the year 2025 and up to the first quarter of 2026.

Item 8. Compensation Plans

The Company's current compensation plan covers all regular employees and officers. Employees' or officers' participation in the Company's compensation plan accrues upon their attainment of regular status. The compensation plan covers gross compensation income and is subject to the outcome of annual performance appraisal, which is initiated by Management for position and salary upgrading.

No action is to be taken during the Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action is to be taken during the Annual Stockholders' Meeting with respect to authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities – Not Applicable.

Item 11. Financial and Other Information

The Statement of Management's Responsibility for Financial Statements, Company's Audited Financial Statements as of December 31, 2024, and other data related to the Company's financial information required under Item 11(a) of SEC Form 20-IS are attached hereto as **Annex "C."** The Schedules required under Part IV(c) of Rule 68 are included in the Annual Report (SEC Form 17-A).

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters
– Not Applicable**

Item 13. Acquisition or Disposition of Property

No action is to be taken during the Annual Stockholders' Meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

Item 14. Restatement of Accounts

The accounting policies adopted for the year ended 2025 are consistent with those of the previous financial year. The effects of the new and amended PFRS/PAS, which are not yet effective as at December 31, 2025 are fully disclosed under Note 2 – Summary of significant Accounting Policies in the Notes to Financial Statements.

The audited financial statements as at December 31, 2025 reflect the comparative amounts from prior years of the Registrant only, excluding those of the subsidiary, Beneficial Financial Advisors, Inc., whose corporate life was up to June 30, 2023 only.

D. OTHER MATTERS

Item 15. Action with respect to Reports:

The following matters will be presented to the stockholders for approval by a majority vote at the Annual Stockholders' Meeting:

- a. Minutes of the Annual Stockholders' Meeting held last June 30, 2025.
 - Annual Report & Audited Financial Statements for the fiscal year ended December 31, 2024.
 - Ratification of all acts of the Board of Directors, Board Committees, and Officers of the Company since the last Annual Stockholders' Meeting.
 - Election of Members of the Board
 - Election of External Auditor for the year 2024.
- b. The 2025 Annual Report and Audited Financial Statements for the year ended December 31, 2025
- c. Election of Directors for 2026-2027 (including the Independent Directors)
- d. Election of External Auditors for the year 2026

Item 16. Matters Not Required to be Submitted

Proofs of transmittal to stockholders of the required Notice of the Annual Stockholders' Meeting and of the presence of a quorum form part of the Agenda of the Annual Stockholders' Meeting but will not be submitted for approval by the stockholders.

Item 17. Amendment of Charter, By-Laws or Other Documents

None

Item 18. Other Proposed Action

Confirmation/ratification of all acts, resolutions, and proceedings of the Board of Directors, Board Committees, Corporate Officers and Management done/made in the regular course of business for the period covering the preceding year up to the date of the Annual Stockholders' Meeting.

These include approval of actions, resolutions, contracts and transactions entered into by the Company, and all other acts of the Board, Board Committees, and Management passed or undertaken by them during the year covered by this report and for the day to day operations of the Company as contained or reflected in the minute books, annual report and financial statements which include but are not limited to matters involving approval of budget for the current year, approval of investments, treasury matters, opening/updating/closing of accounts and bank transactions, appointment of signatories and/or amendments thereof, engagement of consultants, sale of company vehicles and other matters the Board is required to act upon.

Item 19. Voting Procedures

- a. Section 5 of the Amended By-Laws of the Company states that at any meeting of the stockholders, the holders of majority of the issued and outstanding stock entitled to vote at such meeting, present in person or represented by proxy, shall constitute a quorum. Moreover, under the Amended By-Laws of the Company stockholders may either vote in person, or in absentia or by proxy.

Regarding the election of members to the Board, nominees who receive the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code.

Under the Revised Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation.

Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Stockholders of record are entitled to one (1) vote per share. For other matters submitted to the stockholders for approval, a vote by a majority of the shares present or represented during the meeting shall be necessary to approve the proposed action.

- b. Sections 23 and 57 of the Revised Corporation Code provides that the corporation may allow a stockholder to cast his vote *in absentia* via modes which the corporation shall establish, taking into account the corporation's scale, number of shareholders or members, structure and other factors consistent with the basic right of corporate suffrage.

Considering that the Annual Stockholders' Meeting will be held virtually and in accordance with SEC Memorandum No. 6, series of 2020, the Company has in place internal procedures, attached herewith as **Annex "E"**, describing the steps to be taken by stockholders for the latter to cast/submit their votes online. The stockholders shall be entitled to the same number of votes as described above. The Corporate Secretary shall record all the votes and proceedings of the stockholders and of the directors in a book kept for that purpose.

Item 20. Participation of Stockholders by Remote Communication

The Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication through the linkⁱ created by the Company for such purpose.

In order for the Company to properly conduct validation procedures, stockholders who have not sent their proxies or voted via voting *in absentia* platformⁱⁱ who wish to participate via remote communication, must register at <https://form.jotform.com/benlifemis.com.ph/2026-ASM-registration> on or before 12 noon of June 29, 2026. Please refer to **Annex "E"** for the detailed guidelines for participation via remote communication and the procedures for registration and casting of votes *in absentia*.

No action is to be taken during the Annual Stockholders' Meeting with respect to any matter specified in Items 9 or 10.

Report to be Furnished to the Stockholders

MANAGEMENT REPORT

Audited Financial Statements

The Audited Financial Statements and Interim Financial Statements, in accordance with the Revised SRC Rules 68 are hereto attached as **Annexes “C” and “D”**, respectively, which form as integral parts hereof.

Management's Discussion and Analysis (MD & A) or Plan of Operation (Required by Part III(A) of “Annex C, as amended”)

The Registrant's Marketing Team has set a challenging target of gross premiums equivalent to P1.70 Billion in 2026. The Registrant aims to primarily expand its group insurance business with institutional clients, which is its strongest market segment. Streamlining of its business operations with the use of available technology continues to be the Registrant's focus. The Registrant has currently a sales force of 601 licensed agents based in 19 regional offices, 20 satellite agency offices and the head office located in Makati City. The Registrant expects to retain the existing agencies and regional offices, as well as mall operations up to the end of the year. Two new office spaces are expected to be operational by the second quarter of 2026, located at Vertis North, Quezon City. The Registrant continues to leverage on the nationwide distribution network. As part of its “Value Innovation” strategy, the Registrant targets to embark on digital selling during the second quarter of the year 2026, after securing the approval from the IC.

Consistent with the Registrant's performance in the prior years, group insurance contracts on employee-member benefits, loan redemption, and health insurance will continue to contribute the largest share of 2026 revenues. Given that this is the strongest market, the Registrant continues its efforts to increase its premiums in group loan redemption insurance products through partnerships with new creditors in the banking and financial services sectors.

The Registrant continues to create enhancements in its operations with the objective of increasing efficiency in service deliverables through the use of mobile applications and servicing and various online and other payment options.

The Registrant continues to push its sales of the microinsurance products and spot cash, and plans with short term endowments for the year 2026. The Registrant has no plans to offer variable products in the market. The Registrant does not foresee undergoing a bancassurance program in 2026. There are no plans to offer variable products during the year 2026.

The Registrant continues to adhere to the regulations on its Salary Loan Program to the Department of Education (“DepEd”), Philippine Coast Guard (PCG), Bureau of Fire Protection (BFP) and COA-Philgasea.

The Registrant is hopeful to increase its investment and other income over the previous year, despite the challenges with the effects of geopolitics and global economic issues. The Registrant can further maximize its returns by using its available credit limit amounting to P150Million to be used in buying investment securities.

There are no changes in the composition of the Registrant during the prior year and this year 2026, which include any business combination, additional acquisition of subsidiaries, restructuring or discontinuance of the Registrant's operations.

There are no other events other than the ordinary course of business that will trigger direct or contingent financial obligation that is material to the issuer, including any default or acceleration of an obligation. There are no other significant elements of income or loss that did not arise from the issuer's continuing operations. The effects of global issues on the economy, however, have a direct impact on the Registrant's markets as these issues affect the financial capacities and priorities of the insuring public.

The rise in prices of basic commodities can possibly shrink the household budget allocation for insurance. For clients who already have active insurance policies, there will be the tendency to surrender the policy or avail of a policy loan to help augment the personal finances. As of the date of this report, the Executive Order no. 110 s. 2026 declaring a State of National Energy Emergency issued by the President of the Philippines is still in effect. The Registrant remains fully committed and capable in providing the benefits to clients in these challenging times.

Funds shall be continually sourced internally for its insurance requirements and the Registrant does not foresee any uncertainty, other than the global issues discussed in the preceding paragraph that has or is reasonably likely to have a material impact on the short or long term liquidity. The Registrant will meet its due obligations on time.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

The required minimum statutory net worth for the Registrant is P1.30Billion as of December 31, 2025 and as of March 31, 2026. The Registrant complied with the minimum statutory net worth capital and minimum paid-up capital required by the IC.

Segment reporting is not applicable to the issuer.

As of the first quarter, the Registrant earned P392,083,828 gross premiums, which is still below the P425Million budget for the period. Comparing with the same period in 2025, however, premiums, net of cessions, increased by 16% to P385,282,242 in 2026 from P330,804,428 in 2025. Investment and other income, on the other hand, significantly decreased by 21% mainly due to the effects of period-end valuation of investment securities.

Net insurance benefits and claims significantly increased by 20% between the two comparative periods. Legal policy reserves due to the change in inforce policies decreased by more than 100% from an increase of P27,878,142 in 2025 to a decrease of P23,399,380 in 2026. Commissions and other direct expenses also increased by 7% between the two comparative periods since premiums from direct business also increased.

About 35% of the Registrant's investible funds are in foreign currency denominated securities. Thus, a major component in the statement of comprehensive income is the foreign exchange gain or loss. The rates used as against USD1.00 were P60.748 as of March 31, 2026 versus P58.79 as of December 31, 2025; and P57.21 as of March 31, 2025 versus P57.845 as of December 31, 2024 based on closing rates found in the Phil. Dealing System (PDS)/Bankers Association of the Philippines (BAP). Realized and unrealized net foreign exchange gains were recorded in 2026 at P109,247,856 and in 2025 at P66,449,951 loss. The said gains/losses were the result of the mark-to-market valuation of foreign currency denominated cash and cash equivalents, financial assets at fair value through other comprehensive income (FVOCI) and bonds at fair value through profit and loss (FVPL).

Total assets as of the first quarter of 2026 amounted to P12,024,253,768 which is slightly lower by less than a percent than the total for the year ended December 31, 2025 at P11,974,040,483. The major composition of the asset portfolio as of the first quarter of 2026 is: cash and cash equivalents at 6%, investment securities at 70%, property and equipment at appraised values at 13% and loans receivables at 9%. On the Liabilities side, insurance contract liabilities comprise 82% of the total liabilities, premium deposit fund is at 5% while net deferred tax liability is equivalent to 5%. Total stockholders' equity amounted to P5,463,341,614 as of the end-quarter 2026 which is higher than the P5,320,174,630 balance as of December 31, 2025 by 3%.

The Registrant continues to undertake preparations for the implementation of International Financial Reporting Standard ("IFRS") 17 on Insurance Contracts which will become effective two years after its effective date as decided by the International Accounting Standards Board per CL 2020-62 issued by the IC. The IC issued CL 2024-04 dated March 01, 2024 and Advisory no. 2024-006 dated March 25, 2024 detailing the requirements for the application of the Philippine Financial Reporting Standard 17 ("PRFS 17") and its periodic reporting.

On March 10, 2025, the IC issued CL2025-04 wherein a new effectivity date of implementation was set to January 1, 2027 and new reportorial requirements. The Registrant will comply the mandatory date of compliance on January 1, 2027. The latest report submitted to the IC was the PFRS status report as of March 31, 2026.

On April 8, 2025, the IC issued CL 2025-09 with the subject Omnibus Guidelines on Investments. The objective of the said CL is “to enhance the investment adaptability of insurance companies”. The CL identifies allowable investments which do not require prior approval of the IC, as well as those that require IC approval and assets which are non-admitted. The Registrant submitted its Board-approved Investment Policy Framework to the IC last August 1, 2025. As a consequence of the implementation of this CL, the Registrant is expected to increase its admitted assets, networth and risk based capital ratio. An internal calculation of the RBC ratio resulted to 269% as of December 31, 2025. The said calculation is subject to the IC examination and approval.

As a Corporation under the regulation of the IC, the following are five of the performance indicators relative to its main business:

Indicator	Interim F/S 3/31/2026	Interim F/S 3/31/2025	Audited F/S 12/31/2025	Audited F/S ⁽¹⁾ 12/31/2024
1. Network excess / (deficiency) in Php Millions	2,188.44	1,493.62	2,080.93	195.00
2. Non admitted assets to admitted assets ratio	16.47%	16.80%	16.24%	37.71%
3. Claims ratio	64.80%	48.34%	50.48%	69.89%
4. Underwriting expense ratio	23.40%	37.21%	46.57%	39.58%
5. Investment income ratio	33.83%	13.94%	24.78%	25.72%

Networkh

The Registrant computes for its own admitted and non-admitted assets and subject to the examination of the IC on an annual basis. Compliance is required under Section 194 of Republic Act no. 10607 that the networkh be equivalent to P1.3Billion effective December 31, 2022. Networkh is computed as total admitted assets less total liabilities. The Registrant is compliant with this requirement.

Non admitted assets to admitted assets ratio

This ratio measures the degrees to which the company has invested on non-admitted assets over total assets, which may represent either non-productive or risky investments, in line with the provisions of the Amended Insurance Code. On April 8, 2025, the IC issued CL 2025-09 with the subject Omnibus Guidelines on Investments, with the objective of “*enhancing the investment adaptability of IC regulated entities and to foster a more dynamic and responsive approach to ever-changing market environment*”. This CL was applied to the financial reports beginning with March 31, 2025 submissions, which explains the decrease in non-admitted assets to admitted assets ratio, and consequently, the increase in Networkh.

Claims ratio

The claims ratio shows what percentage of pay outs (insurance benefits) are being settled with receipts (premiums). The Registrant’s high ratio was driven mainly by claim payments on its group business.

Underwriting expense ratio

The underwriting expense ratio measures how much of the net insurance premiums covered the expenses of acquisition, underwriting and service of its policy contracts, and ranges, on the average from 15% to 35%. The Registrants indicator that is higher than the said average means that a portion of its investment income is also being spent to cover insurance expenses.

Investment income ratio

This ratio measures how much of the total income comes from its investing activities, as differentiated from its main line of business, which is insurance. Insurance companies invest its cash from premiums in order to generate profit. Insurers invest in a wide array of assets and must balance the desire to earn a higher return through riskier investments with the need to maintain liquidity in order to cover the liabilities associated with claims made against the policies that they underwrite. This ratio's fluctuations can be attributed to the types of investing activities like trading of securities which may result to a gain or loss, or investments in outlets with higher risks but with higher returns.

Management's Discussion and Analysis – 2025 vs. 2024:

The Registrant posted a decrease in gross premiums by 23% from P1.86Billion in 2024 to P1.435Billion in 2025. Net premiums also decreased by the same percentage between the two comparative years. The major driver of this decrease is the decline in its group business.

The performance of the Registrant in terms of gross and net premiums is summarized as follows:

	<u>2025</u>	<u>2024</u>
Regular (individual)	282,842,896	294,079,993
Group	1,065,606,412	1,496,096,222
Microinsurance	1,690,750	3,432,000
Inward reinsurance	85,023,492	66,369,188
	<u>1,435,163,550</u>	<u>1,859,977,403</u>
Less: Premiums ceded	<u>44,401,563</u>	<u>42,952,658</u>
Premiums, net of reinsurance	1,390,761,987	1,817,024,745

Except for inward reinsurance, premiums from all lines decreased in 2025 as compared to 2024. The group business in particular, continued its decline, which was first reported for the year 2024 when the Registrant lost a significant portion of an account with a financial institution due to competition.

No cycle, season or trend can also explain the amount of claims, surrenders and other benefits to be paid in any given period of time as these are mainly dependent on mortality rate and financial condition of the policyholders. This is the reason why the IC as the industry regulator, mandates its requirements on the issuer's minimum networth, capital investment, reserve investment and minimum RBC ratio. Net insurance benefits and claims incurred on insurance contracts, which decreased by 44% from 2024 to 2025 include death claim benefits on ordinary/individual and group businesses, maturities, health benefits, surrender values paid, dividends, and interests accruing on in force policies. There are still policyholders who opt to surrender their insurance policies, meaning, withdraw its cash value, due to financial needs, while other insurance policies have already matured during the year, at which time, the insured received its maturity value. Death claims still comprise the significant portion of benefits and claims expensed at 69% in 2025 versus 83% in 2024. These insurance risks can be reasonably calculated and estimated, based on Actuarial studies, and thus, reserves and fund allocations are made by the Registrant. An uncertainty, therefore, which will have a material impact on the operations of the issuer, is when death benefits will be claimed all at the same time. This is why the legal policy reserves should be enough to cover all the benefits due to the insured. The Registrant's annual legal policy reserves is certified by the Actuary and evaluated and reviewed by the IC. Legal policy reserves increased from 2024 to 2025 by P201,536,675 which included the effects of the change in inforce policies and in the discount rates used for the GPV valuation.

Investment and other income decreased by 20% from 2024 to 2025 as compared to the 26% increase from 2023 to 2024. Investment income is composed of interests on investment securities, loans and notes, dividend income, rental income and gain on sale and fair value gains.

Net fair value gain on FVPL financial assets was recorded in 2025 at P15.34Million in contrast to the gain booked in 2024 at P14.90Million. On the sale of investment securities, a loss of P40.40Million was recorded in 2025 versus the gain of P69.29Million in 2024.

On a year to year basis, the Peso depreciated to P58.79 in 2025 as against the US Dollar, from P57.845 as of the 2024 year end. This resulted in realized and unrealized foreign exchange gain amounting to P70.20Million in 2025 versus a much larger gain of P128.16Million 2024.

Commissions and other direct expenses decreased by 32%, which is a direct consequence of the decrease in premiums. General and administrative expenses decreased by 6% from 2024 to 2025. Net income for the year ended 2025 amounted to P208.97Million as compared to the P172.94Million in 2024 or a 21% increase. Basic and diluted earnings per share, consequently, increased from P0.28 per share in 2024 to P0.33 in 2025.

The statement of financial position shows an increase of 9% in total assets from P10.97Billion in 2024 to P11.97Billion in 2025. Investment securities comprise 70% of the total assets in 2025, as the Registrant continues to maximize its earning potentials with its holdings in various peso and foreign currency denominated securities. Adding this portfolio to the cash and cash equivalents at P654Million, short term investments of P1Million and accrued income of P108Million shows that the Registrant remains liquid and able to meet its obligations.

The stockholders' equity portion reflects a total of P5.32Billion in 2025, which is higher by 18% than the P4.50Billion in 2024.

In addition to the reasons for the increase/decrease discussed in the preceding paragraphs, the following are the explanations for the changes in material items (increase/decrease equivalent to at least 5%) from year 2024 to year 2025:

- a. Decrease in cash and cash equivalents by 36% and decrease in short term investments by 90% resulted from the use of available cash in operations and investing activities.
- b. Increase in insurance receivables by more than 600% represent claims recoverable from reinsurers.
- c. Decrease by 10% in investment securities was mainly driven by the mark-to-market valuation of outstanding portfolio as of year-end.
- d. Increase in accrued income by 10% was mainly due to the increase in value of interest collectibles on outstanding foreign-currency denominated debt securities.
- e. Decrease in loans receivables by 10% is due to the increase in collections during the year on mortgage and salary loans. No new mortgage loans were extended during the year.
- f. Increase by 65% in the property and equipment at appraised values was due to the new appraisal made for the 2025 year-end values of company owned properties and the recognition of construction-in-progress for two office space that have been fully paid.
- g. Decrease in other assets by 50% represents the reclassification of monthly amortizations paid for new office spaces to property and equipment at appraised values.
- h. Increase in insurance payables represent ceded premiums primarily in group business, thus resulting in more than 100% increase.
- i. Increase in deferred tax liability by 68% was mainly driven by the effect of the appraisal increase on Registrant-owned properties as of year-end.
- j. Increase in other liabilities by 14% represent the deposits for insurance premiums.
- k. Overall increase in net income by 21% was mainly driven by a positive underwriting income for the year and net foreign exchange gains.

Market Information of the Registrant's common equity

The common share of the Registrant is not traded on the Philippine Stock Exchange. If there is any trading, it is a private transaction between stockholder/s and these are isolated cases. The last reported price (inclusive of all the processing fees to effect the sale/transfer) was at P1.50/share as presented in the table below. There were no sales or transfers reported for any consideration other than for cash.

	2024	2025	2026
1st quarter	<i>P1.50</i>	<i>P1.50</i>	<i>P1.50</i>
2nd quarter	<i>P1.50</i>	<i>P1.50</i>	
3rd quarter	<i>P1.50</i>	<i>P1.50</i>	
4th quarter	<i>P1.50</i>	<i>P1.50</i>	

Dividend Policy and Dividends

The Registrant complies and adopts as its policy, Section 201 of the Amended Insurance Code, which states that no domestic insurance corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements, and except from profits attested in a sworn statement to the Commissioner by the President or Treasurer to be remaining on hand after retaining unimpaired the entire paid-up capital stock, the solvency requirements, the legal reserve funds required by law, and the sum sufficient to pay all net losses and liabilities for expenses and taxes.

The Registrant recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to its shareholders.

The BOD may, at its discretion and depending on the business results for the year, as well as the capital needs of the business, declare and approve the distribution dividends to all shareholders, normally announced at the Annual Stockholders' Meeting. The Registrant shall report to the IC any dividend declaration or distribution within 30 days after such declaration or distribution.

The Registrant has not declared and distributed any cash dividends for the last five years to address the RBC and networth requirements. Furthermore, the effects of the adoption of PFRS 17 is still under assessment and will also have an impact on the Registrant's resolution for cash dividend declaration.

Discussion of Compliance with Leading Practices on Corporate Governance

Registrant believes that sound and effective corporate governance is the cornerstone of the Company's strength and long term existence. It subscribes to a philosophy of adhering to honesty, integrity, and professionalism in the conduct of its business, exercising prudence in arriving at decisions, enforcing internal discipline and a system of check and balance in its operating processes, and providing transparency to its stakeholders regarding basic management policies and practices, major business strategies and decisions, and its operating results.

Registrant has promulgated policies that adopt with leading practices on good corporate governance practices. It has structured itself to ensure that the men and women that comprise the Company adhere to the basic principles of good corporate governance, and mandates compliance with laws as everyone else's primary responsibility. It commits to continue establishing and improving the following policies to ensure that business transactions are being implemented in accordance with the best practices and standards:

- (i) On full and faithful compliance with laws, regulations, Insurance Commission ("IC") Circulars and other circulars released by regulatory bodies;
- (ii) On human resource development and personnel development system based on accountability, check and balance, and corporate Code of Ethics;

- (iii) To promote the good reputation of the Company in all dealings with clients, partners, other parties that transact with the Company, and the insuring public;
- (iv) To sustain program of corporate social responsibility that enhances the good image of the Company before the general public.

The Board of Directors and Management adopts a framework of policies, rules, systems and processes in the corporation that governs the performance by the Board Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, government and community in which it operates. They commit themselves to the principles and practices contained in The Revised Manual on Corporate Governance (the “Manual”) designed to ensure the independence of the Board and its ability to effectively supervise Management’s operation of the Company and guide them in pursuit of corporate goals.

The Board of Directors bears the primary responsibility for creating and enhancing the long term shareholder value of Company and ensuring that this objective is achieved in all its business activities. Its mandate consists of setting the strategic business directions of Company, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, measuring and rewarding the performance of management, and generating a reasonable investment return to shareholders. It also provides an independent check on management.

It is the Board’s responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

The evaluation by the Registrant to measure and determine the level of compliance of the Board of Directors, the Executive Officers and top level management with its Manual is vested by the Board on the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual.

The Registrant commits to the highest standards of good corporate governance in realizing its vision and mission. The Registrant believes that sound corporate practice based on integrity, fairness, accountability, and transparency is essential in achieving growth and stability, as well as enhancing investors and stockholders’ confidence. The Registrant’s Code of Ethics ensures that all employees adhere to the highest standards of honesty, transparency, and accountability. To further emphasize the Registrant’s commitment to integrity, employees are encouraged to report, in good faith, to higher management any misconduct within their respective departments/units.

Consistent with the foregoing policies and the provisions of the Manual, the Registrant has been continuously implementing the following:

Rights and Equitable Treatment of Stockholders:

The Board acknowledges and respects the fundamental rights of shareholders to obtain adequate and timely information and commits not to act in a way that will violate the same.

The Board strives to achieve growth based on its potential and core competencies to ensure that shareholders, over the long term, will benefit from the productive performance and good operating results of the Registrant.

Policies on Employees Health and Safety:

The Registrant maintains the provisions for the health, safety and welfare benefits of its employees under the HealthCare Program being managed by the Registrant’s Health Care Department in coordination with the Human Resources Department. Under the foregoing, the Registrant’s employees throughout the country can go to any of the Registrant’s accredited medical clinics, laboratories and/or hospitals.

The Registrant is committed to promote the physical, social and mental well-being of its employees. It aims to provide and maintain a workplace free from all forms of discrimination and from all forms of physical, sexual or psychological abuse including harassment, bullying and intimidation. It is committed to maintain a positive, harmonious and professional work environment with due importance accorded to occupational health and safety of the employees and its clients transacting business at its various offices.

Policies and Activities on Customer Welfare:

The Registrant recognizes that its clients are the reason for its continued business, hence, the Registrant is committed to meet the needs of its clients by providing them with high quality customer service, as well as relevant products and services.

The Registrant is also committed to treat clients fairly by complying with the Policy Holder's Bill of Rights issued by the IC as well as implementing the following minimum service standards:

- a. Communications are fair and not misleading;
- b. Ensure that clients are given clear and accurate information on the services offered, including the risks involved, prior to the conclusion of any business transaction;
- c. Products and services are suitable and beneficial, taking into account the needs of the clients, their financial and risk profiles and objectives; and
- d. Complaints and concerns are handled and addressed promptly in a professional manner.

To ensure the effective implementation of the foregoing policies, the Registrant has a customer service desk to address the concerns and receive the complaints of clients.

Community Interaction Policy:

The Registrant considers its host community as its growth partner, and contributes to its social development agenda by paying appropriate taxes and complying with relevant laws, regulations, resolutions and ordinances.

Through its various branches nationwide, the Registrant also empowers the local communities where they operate by providing employment, livelihood opportunities, and basic services that will help improve their quality of life.

The Registrant's Community Principles:

This policy affirms the Registrant's commitment to the range of communities with whom it interacts, guided by the following principles: (a) compliance with all laws and regulations, (b) transparency, (c) sustainability, (d) respect for human rights, (e) diversity and (f) contribution to economic development.

The Registrant's Community Approach:

The Registrant's approach to its stakeholders is guided by the following:

- a. Building positive community relations by being an active player in the society;
- b. Identifying opportunities for partnership with the communities to create shared values;
- c. Investing in community developments that will benefit the community and be sustainable in the long run;
- d. Valuing the diversity of the stakeholders, respecting their culture and aspirations as we strive for local procurement and local employment; and
- e. Anti-corruption programs.

The Registrant adopts and institutionalizes the highest ethical standards by strict implementation of the provisions of its Code of Conduct. The Registrant is committed in complying with and strictly enforcing anti-corruption laws in all its offices. Bribery of any form is strictly prohibited.

Employees are strictly prohibited from receiving gifts from clients, suppliers or third persons to ensure that they remain objective and partial in the performance of their respective duties and responsibilities.

Performance Evaluation

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Pursuant to the Revised Manual on Corporate Governance, the members of the Board and Board Committees conducts an annual review and evaluation of their collective and individual performance. It regularly reviews the structure, size and composition of the Board and Board level committees with the end in view of having a balanced membership. Towards this end, a system and procedure for evaluation of the structure, size and composition of the Board and Board-level committees has been adopted which includes, but is not limited to, benchmark and peer group analysis. The results of assessment forms part of the ongoing improvement efforts of the Board.

Board, Committee and Director evaluation involves Board members undertaking a constructive but critical review of their own performance, identifying strengths, weaknesses and implementing plans for further professional development. The provision of feedback on Board performance and governance processes is the most crucial element of said evaluation and is the means by which the Board of Directors achieves consensus on targeted improvements. Said self-assessments are carried out annually, held in utmost confidentiality and have non-attributable responses.

The self-assessments focus on individual director performance as well as the collective performance of the Board and its Committees, operating as a whole and are built around the Terms of Reference for the Board and Committee Charters. Key evaluation factors of the assessments include: the functions of the Board, Board strategy and effectiveness, Board structure and committees, Board and Management relations, succession planning and training and value creation.

The results of these evaluations are presented to the Corporate Governance Committee which then reports on all these assessments to the Board. The Corporate Governance Committee may develop recommendations and/or an action plan for the Board, where determined necessary or desirable, to address issues raised as a result of such assessments, and monitors the progress of the Board in addressing issues identified in the assessment process.

A key objective of the performance evaluation is to also be able to highlight the strengths of the Company's corporate governance system where such improvement initiatives can be highlighted in targeted communications to strengthen shareholder and stakeholder confidence. There are four (4) major levels to the evaluation:

a. Board-level Assessment of the body as a whole

The Board needs to assess its own achievement of goals and working style, i.e., actual operations and work of the Board with respect to the Company's business model and strategy. Directors also reviews Board effectiveness with respect to current and future development challenges of the Company, the continuous evolving expectations of its stakeholders and, if need be, existing communication on corporate governance matters

b. Commitment-level Assessment of respective Board Committees

All Board-level committees evaluate annually the performance of the committee as a body and report the results to the Board or to such committee that may be appointed by the Board for review.

c. Individual Director Self-Assessment

d. Board assessment of President and CEO

To strictly observe and implement the provisions of the Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of the Manual:

- i. In case of first violation, the subject person shall be reprimanded.
- ii. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. This shall not be applicable to directors.
- iii. For third violation, the maximum penalty of removal from office shall be imposed. With regard to directors, the provision of the Revised Corporation Code shall be observed.

The Compliance Officer shall be responsible for determining violations through notice and hearing and shall recommend to the Chairman, the imposable penalty for such violation, for further review and approval of the Board

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on June 02, 2026.

BENEFICIAL LIFE INSURANCE COMPANY, INC.

By:



MA. SIGRID R. PINLAC
Corporate Secretary

MATERIALS ACCOMPANYING THIS INFORMATION STATEMENT

- | | | |
|---------------------|---|---|
| 1. Annex "A" | - | Directors' Profile and Certification of Independent Directors |
| 2. Annex "B" | - | Executive Officers' Profile |
| 3. Annex "C" | - | Statement of Management's Responsibility for Financial Statements and Audited Financial Statements for 2025 |
| 4. Annex "D" | - | Interim Financial Statements |
| 5. Annex "E" | - | Registration Procedure for Voting <i>In Absentia</i> and Participation via Remote Communication |

UNDERTAKING

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A, free of charge. Such written request should be addressed to:

BENEFICIAL LIFE INSURANCE COMPANY, INC.
Beneficial Life Bldg. 166 Salcedo St., Legaspi Village
Makati City 1229

Attention: **MA. SIGRID R. PINLAC**
Corporate Secretary

FEEDBACK

At Beneficial Life Insurance Company, Inc., we strive to provide you with the highest possible standards of service at all times. Should you have any complaints or concerns, you may bring it up through our website at www.benlife.com.ph, or you may call our Customer Service hotline at 8818-8671 (loc. 8573).

ⁱ <https://www.benlife.com.ph/benlife-2026-ASM/>

ⁱⁱ <https://form.jotform.com/benlifemis.com.ph/2026-ASM-polls>

**BENEFICIAL LIFE INSURANCE COMPANY, INC.
(the “Registrant” or “Company”)**

DIRECTORS’ PROFILE

A. The following are the incumbent Directors of the Company:

JOHN E. HUANG, age 68, *Filipino*, is the incumbent Chairman of Board of the Company. He is an independent director since October 15, 2020 and a member of the Board and Risk Oversight Committee, Corporate Governance Committee, Audit Committee, and Related Party Transactions Committee. He is an experienced insurance and reinsurance professional. Before retiring in 2017, he was the Senior Vice President - Head of Investments of National Reinsurance Corporation of the Philippines (NatRe). He also served as Chief Finance Officer, Treasurer and Head of Investments of NatRe. From 2004 to 2006, he was the Chief Finance Officer and Treasurer of Universal Malayan Reinsurance Corporation and the Chief Financial Officer and Director of C&P Homes, Inc. from 1995 to 1999. He was a First Vice President and Treasurer of the Boston Bank of the Philippines in 1989. He was a Vice President for The First National Bank of Boston in Boston Mass when he left the same after 6 years in 1988.

Mr. Huang received his Master’s degree in Business Administration from the Graduate School of Business Administration – Harvard University in 1982. His Bachelor of Arts degree, Economic Honors Program was obtained from the Ateneo de Manila University where he graduated magna cum laude.

DAMIAN DOMINGO O. MAPA, age 63, *Filipino*, is an independent director of the Registrant since June 30, 2025. He is the Chairman of Audit Committee and Related Party Transactions Committee, and a member the Board and Risk Oversight Committee and Corporate Governance Committee.

Mr. Mapa is an accomplished leader whose extensive experience spans both the private and public sectors from dynamic start-up environments to complex multi-country matrix organizations. He played a pivotal role in establishing the Philippines’ IT-BPO industry, setting up Accenture’s first offshore software development facility in 1986, and later managing over 2,000 tech support specialists at Dell International Services’ Mall of Asia site. President Gloria Macapagal-Arroyo appointed him in 2004 to the Commission on ICT, tasking him with generating one million jobs in the Philippine Cyberservices Corridor. For his contributions to the IT and business process outsourcing sector, Mr. Mapa was recognized with the Lifetime Contributor Award from the Asia CEO Awards.

Mr. Mapa is highly regarded in the information technology industry, having held various C-level positions at Microsoft Philippines, Hewlett-Packard Philippines, and Unisys. While at Microsoft, Mr. Mapa advocated for the passage in 2012 of the Cybercrime Prevention Act and the Data Privacy Act, and pioneered the use of TV White Space technologies to restore connectivity in the aftermath of natural disasters in 2013. For these efforts, he was awarded in 2015 the Public-Private Partnership Impact Award by the U.S. Department of State, in recognition of public-private partnerships that are improving the world.

A pioneer in data privacy and information security, Mr. Mapa was appointed by President Benigno S. Aquino III in 2016 to start-up the Philippines’ National Privacy Commission. In 2020, he joined Citibank as its Chief Privacy Officer for Asia-Pacific where he mentored compliance teams from 17 countries to achieve adherence to cybersecurity, notification, and data protection laws, along with guidelines on artificial intelligence (AI) usage.

For his data protection initiatives, Mr. Mapa earned the Exemplary Privacy Leadership Award from the National Privacy Commission of the Philippines, and the Datos Privados Award for Empowerment and Enablement from the National Association of Data Protection Officers of the Philippines.

Mr. Mapa has held leadership positions in several trade and industry associations, including the Asian Board of the International Association of Privacy Professionals (IAPP), the Infocomm Technology Association of the Philippines (ITAP), the European Innovation Technology and Science Center Foundation (EITSC), the Telecentre.org Foundation, the Philippine Association for Open Computing, and the Unix Users Club of the Philippines.

Currently, Mr. Mapa serves as Chairman of the Board of Maple (MAPA-LEDESMA) Agricultural Corporation and is a major shareholder in Lupa Farms, a sustainable farming operation located in Negros Oriental. He also sits in the Board of Directors of Center for Leadership and Change, Inc. and Philippine Payment & Clearing System, Inc., and serves as a trustee in McKinley Garden Villas Condominium Association, Inc. He holds an undergraduate degree in Business Management from the Ateneo de Manila University and has completed advanced courses at Canada's IDRC (the International Development Research Center), INSEAD (the European Institute of Business Administration), and the Darden School of Business in Virginia, USA.

JAIME C. FERNANDEZ, age 70, Filipino, is the Registrant's incumbent President and Chief Executive Officer ("CEO"). He is also currently the Chairman of AMSEC Holdings Corporation (formerly, Amalgamated Securities Corporation) and ETC Forest Lawn. He is the President of Merje Trading Inc., and FMF Development Corporation. He is a Director in Marilag Holdings, Inc.

Mr. J Fernandez graduated from the Ateneo de Manila University and has a Master in Finance degree from Golden Gate University.

MARIA ELENA C. FERNANDEZ, age 63, is a Non-executive director in the Registrant's Board. She is also a director in AMSEC Holdings Corporation (formerly, Amalgamated Securities Corporation), Merje Trading Inc., and FMF Development Corporation. She is, presently, a Private Consultant and Investor of Global Equity Portfolios and of Residential Single and Multi-Family Development.

She was a Senior Global Equity Analyst for Janus Capital, CO from 1995 to 2001 and was a Vice President – Senior Risk Manager for ING (U.S.) Capital Holding Inc., NY prior thereto.

Ms. M.E. Fernandez has a Master's degree in Business Administration from Darden Graduate School of Business Administration-University of Virginia and a Bachelor of Arts degree major in Zoology and minor in Economics from Smith College.

SANTIAGO GABRIEL O. FERNANDEZ, age 32, Filipino, and was a Director from 2016 to 2019.

Mr. Santiago Fernandez served as an Investment Banking Associate under Financial Institutions Group Completed Transactions of Goldman Sachs International at London, United Kingdom from 2021 to 2023. He worked as an Investment Banking Summer Associate – Financial Institutions Group at Credit Suisse International in London, United Kingdom. He was also with PricewaterhouseCoopers ("PWC") as a Full Time Associate specializing in business enterprise valuation and financial model review of companies engaged in the shipping, tankering, integrated logistics, and renewable energy industries.

He was also involved in the Support Bid and Financial Model Advisory for the Light Rail Transit 2 ("LRT2") and the Regional Airport Public-Private Partnership ("PPP") projects run by the PPP Center.

Mr. Santiago Fernandez received his Bachelor of Commerce degree, majors in Economics and Finance (with Third Class Honours), from the University of Melbourne, Australia. He finished his MBA degree at London Business School in 2021.

ROBERTO F. DE OCAMPO, age 80, Filipino, is a Non-executive Director of the Company. He is a member of the Audit Committee and Related Party Transaction Committee, and an alternate member of the Board and Risk Oversight Committee.

He was the Secretary of Finance from 1992-1998. He is a former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He was Chairman and CEO of the Development Bank of the Philippines in 1989.

Mr. De Ocampo is Chairman Emeritus of Philippine Veterans Bank, and Chairman of Board of Advisors of RFO Center for Public Finance & Regional Economic Cooperation. He served as Chairman of Philam Asset Management, Inc., Hatch Asia, Inc., Stradcom Corporation, Tollways Association of the Philippines, Money Tree Publishing Corporation, Centennial Asia Advisors Pte Ltd.; the Vice-Chairman of the Tranzen Group, Montalban Methane Power Corporation, Agus 3 Hydro Power Corporation, and La Costa Development Corporation; a Director of Investment and Capital Corporation of the Philippines Group of Companies, PHINMA Corporation, Alaska Milk Corporation, Bankard, Inc., EEI Corporation, House of Investments, Robinson's Land Corporation, and Salcon Power Corporation; and a Member of the Board of Advisors of ARGOSY Fund, Inc. AES Corporation (Philippines) and the CIMB Group. Moreover, Mr. De Ocampo holds several vital positions in both prestigious international organizations as well as civic organizations.

Mr. De Ocampo graduated from the Ateneo de Manila University, received his MBA degree from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has 4 doctorate degrees (Honoris Causa). He is the recipient of many international awards, including Finance Minister of the Year, Philippine Legion of Honor, Association of Development Financing in Asia and the Pacific ("ADFIAP") Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award (TOYM), several Who's Who Awards, and the 2006 Asian Human Resource Development ("HRD") Award. In June 2012, Mr. De Ocampo was awarded by Queen Elizabeth II with a medal for his appointment as an honorary officer of the Most Excellent Order of the British Empire.

JAIME F. PANGANIBAN, age 75, Filipino, is a Non-executive Director of the Company. He is the Vice-Chair of the Board and Risk Oversight Committee, and an alternate member of the Audit Committee and Related Party Transactions Committee of the Registrant.

Mr. Panganiban is also the Chairman and Chief Executive Officer ("CEO") of Lake Shore CCY Inc., Quantum CCY Exchange Inc., and BGP Asia Pacific Ltd. Inc.; the Chairman and President of JFP Assets Corp.; a Co-Chairman at Compoint Networks, Inc.; and a Director of JP Latex Technology, Inc. In 2005, he served as the Advisor and Chief Financial Officer of Development Bank of the Philippines ("DBP") and undertook the take over and rehabilitation of Al-Amanah Islamic Investment Bank of the Philippines where he was eventually appointed Chairman and CEO in 2008. Mr. Panganiban is an accomplished senior bank executive (RCBC Banking Corporation, Bank of America, Deutsche Bank AG, HK/Indonesia and Dao Heng Bank, HK) with widely recognized expertise in treasury, capital markets, investment banking, trust, and wealth and risk management, built upon a foundation of exposures and postings in the Asia Pacific region.

Mr. Panganiban completed his Advanced Management Program (“AMP”) at the Templeton College, University of Oxford, United Kingdom, and Financial Asset Management and Engineering at the FAME, University of Lausanne, Switzerland. He received his BSC degree, major in Accounting, from the Ateneo de Zamboanga and took his MBA units at the Ateneo de Manila University.

CESAR O. VIRTUSIO, age 79, Filipino, is a Non-executive Director of Registrant. He is presently the Vice-Chair of the Corporate Governance Committee, and an alternate member of the Board and Risk Oversight Committee of the Registrant.

Mr. Virtusio was until recently the Managing Director of the Bankers Association of the Philippines (“BAP”) where he served for eight years and held Board and Executive positions in BAP related entities. He is also a director of Tonik Bank. He used to be the Chief Representative and an Adviser to Dresdner Bank and Dresdner Kleinwort. He had been with the Dresdner Bank Group in Germany, Hong Kong, Singapore, and the Philippines for over twenty years in various management positions in corporate and investment banking.

He also had a stint with Citibank Manila where he participated in the Executive Development Program and was a Manager in the Bank’s World Corporation Group.

Mr. Virtusio has a Master’s degree in Business Administration major in International Business from the George Washington University, Washington DC.

PAUL P. SAGAYO, JR., age 59, Filipino, was first elected to the Board of Registrant in June 06, 2018. He is a Non-executive director serving as an alternate member of the Audit Committee, Related Party Transaction Committee, and Corporate Governance Committee.

Atty. Sagayo has more than twenty years of progressive law practice with extensive exposure in court litigation and arbitration. He is a Partner in Sagayo Evangelista & Rebuelta Law Offices. He also currently serves as a director in One Taipan Holdings, Inc., Calac High Power Corporation, Synergy Grid & Development Phils., Inc., ETC Realty Corporation, and Trinity University of Asia.

He graduated from Trinity College of Quezon City with a degree in Bachelor of Arts in Political Science. He received his Bachelor of Laws degree from San Beda College in 1992.

- B. The following incumbent directors have been re-nominated to and are eligible for election to the Board on the 2026 Annual Stockholders’ Meeting of the Company:

JOHN E. HUANG*	(see above-cited credentials)
DAMIAN DOMINGO O. MAPA*	(see above-cited credentials)
JAIME C. FERNANDEZ	(see above-cited credentials)
MARIA ELENA C. FERNANDEZ	(see above-cited credentials)
SANTIAGO GABRIEL O. FERNANDEZ	(see above-cited credentials)
ROBERTO F. DE OCAMPO	(see above-cited credentials)
JAIME F. PANGANIBAN	(see above-cited credentials)
CESAR O. VIRTUSIO	(see above-cited credentials)
PAUL P. SAGAYO, JR.	(see above-cited credentials)

*Messrs. Huang and Mapa are being re-nominated as independent directors of the Registrant.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **John E. Huang**, Filipino, of legal age and a resident of No. 24 Mushroom Street, Valle Verde 5 Subdivision, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Beneficial Life Insurance Company, Inc.** (the "Corporation"), and have been its Independent Director since October 15, 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Reliable Electric Company, Inc.	Director	2017 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Beneficial Life Insurance Company, Inc.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 06 2026, at Makati City.


JOHN E. HUANG
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of MAY 06 2026 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport bearing numbers P8640188A issued at DFA-NCR Central on September 06, 2018.

Doc. No. 396;
Page No. 79;
Book No. VIII;
Series of 2026;


ATTY. CAESAR LEOCADIO P. ACEBEDO
Notary Public - Attorney Roll No. 73849
IBP No. 579495
PTR No. 10764907 / 01-05-2026 Makati City
MCLE Compliance No. VIII-0025115;03/27/2025

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Damian Domingo O. Mapa**, Filipino, of legal age and a resident of 6B Cluster B, McKinley Garden Villas, 110 Upper McKinley Road, Bgy. Pinagsama, Taguig City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Beneficial Life Insurance Company, Inc.** (the "Corporation"), and have been its Independent Director since June 30, 2025.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Philippine Payment & Clearing System, Inc.	Director	Since 2026 up to 2026
Center for Leadership and Change, Inc.	Director	Since 2025 up to 2026
McKinley Garden Villas Condominium Association, Inc.	Trustee	Since 2015 up to 2026
Mapa Ledesma Agricultural Corporation	Chairman	Since 2007 up to 2026

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Beneficial Life Insurance Company, Inc.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 06 2026, at Makati City.

Damian Mapa

DAMIAN DOMINGO O. MAPA

Affiant

SUBSCRIBED AND SWORN to before me this MAY 06 2026 day of May at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport bearing numbers P9517853B issued at DFA Manila and valid until April 05, 2032.

Doc. No. 591;
Page No. 80;
Book No. VII;
Series of 2026;


ATTY. CAESAR LEOCADIO P. ACEBEDO
Notary Public - Attorney Roll No. 73849
IBP No 579495
PTR No 10764907 / 01-05-2026 Makati City
MCLE Compliance No. VIII-0025115;03/27/2025

CERTIFICATE

I, **MA. SIGRID R. PINLAC**, of legal age, Filipino, and with office address at 7/F Beneficial Life Building, 166 Salcedo Street, Legaspi Village, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of **BENEFICIAL LIFE INSURANCE COMPANY, INC.** (the "Company"), a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City;
2. There are no directors, independent directors, or officers of the Company who are currently appointed in any government agency or is an employee of any government agency.


ATTY. MA. SIGRID R. PINLAC
Corporate Secretary

SUBSCRIBED AND SWORN to before me this **MAY 13 2026** in the City of Makati, Philippines, affiant exhibiting to me her SSS ID bearing No. 33-7457688-5, as competent proof of her identity.

Notary Public

Doc. No. CL/40 ;
Page No. 97 ;
Book No. X ;
Series of 2026.


ATTY. CAESAR LEOCADIO P. ACEBEDO

Notary Public City of **Makati**
Appt. No. 2025-171 (2025-2026)
Roll of Attorney's No. 73849
IBP No. 579495

PTR No. 10764907 1-05-2026
23 L. Garcia St. Bldg. Puso, Punta Sta. Ana, Manila
MCLE Compliance No. VIII-0025115: 03/27/2025

BENEFICIAL LIFE INSURANCE COMPANY, INC.**EXECUTIVE OFFICERS’ PROFILE**

The following are the incumbent Officers of the Company:

JAIME C. FERNANDEZ, President and CEO (see credentials/profile in Annex A)

MA. EDITHA S. PALTONGAN, age 59, *Filipino*, is the Treasurer, Comptroller, and Compliance Officer with a rank of Senior Vice President. She worked with Sycip, Gorres, Velayo & Co. (“SGV & Co.”) from 1987 to 1991 as Senior Auditor, after which, she joined the Registrant.

Ms. Paltongan graduated Magna Cum Laude with a Bachelor of Science in Business Administration (“BSBA”) degree from University of the East and passed the CPA board examination in 1987.

REX STEWART Y. CHEUNG, age 49, *Filipino*, is the Chief Investment Officer. His appointment was on August 24, 2021. Prior to his appointment as Chief Investment Officer, he was an Investment Counsellor-Director in Bank of Singapore since 2008. He was in charge of the Portfolio Investment Management of the Meralco Foundation Incorporated from November 2003 to December 2007. He served as Senior Financial Analyst in Clemente Capital Consultant Inc. from December 1999 and 2003.

Mr. Cheung successfully passed Series 3 exam (National Commodity Futures Examinations) administered by NASD in 2005. He passed his Chartered Financial Analyst (CFA) Level I examinations in June 2002. He also successfully passed the Philippine Fixed Income Certification for Treasury Operations administered by the SEC in October 2008, and is a licensed (SEC-PSE) stock broker.

He graduated from De La Salle University in 1998 with a degree of Bachelor of Arts Major in Economics and Bachelor of Science in Commerce Major in Management of Financial Institution.

JOYS. VIANZON, age 57, *Filipino*, is the Vice President / Chief Accountant. She re-joined the Registrant in August 2010 as Chief Accountant. She first joined the Registrant from 1995 to 2007. She was previously connected with IBM Business Services, Inc., Avida Corporation, HSBC, and SGV & Co. She is currently a Director of Beneficial Financial Advisors, Inc. She completed her BSC - Accounting degree at De La Salle University, and passed the CPA board examination in the same year.

ATTY. MA. SIGRID R. PINLAC, age 47, *Filipino*, is the Registrant’s Corporate Secretary and Head of Human Resources and Legal and Regulatory Affairs Department. Prior to joining the Registrant in February 2018, Atty. Pinlac served as senior legal counsel of TPPH-FHCS, Inc. (Teleperformance), and Head of Corporate Services and Compliance Unit of Malayan Insurance Group of Companies. She was an associate lawyer in the Law Firm of Aquino Regino Arceo Palma Raagas & Associates.

Atty. Pinlac took and passed the 2003 bar examination and was admitted to the Philippine Bar in 2004.

DANILO L. MERCADO, age 66, *Filipino*, is the Vice President for Metro Manila Sales Operations. He began his employment career with the Registrant in April 2013. Prior to his employment with the Registrant, Mr. Mercado was connected to First National Surety and Philippine Prudential Life.

Mr. Mercado received his degree in B.S.C Accountancy from Colegio de San Juan de Letran in 1982.

TERESITA E. ULLEGUE, age 72, *Filipino*, is the Vice President and Head of Policy Administration and Services Department. She has been with the Registrant since 1989 and held various positions, initially from the rank of Supervisor in the Actuarial Department, then Manager of the same department, to AVP and then VP and Head of Policy Administration and Services Department.

Ms. Ullegue is an alumna of Lyceum of the Philippines with a degree in BS Marketing.

JUANITO B. TAN, age 72, *Filipino*, is the Deputy Head for Company Operations. Prior to joining the Registrant in 2012, he held various key management positions in different insurance companies. He was AVP in Aetna Phil Ventures and CAP Life Insurance. He served as Director – Market Alliances in MetLife Philippines. He was likewise employed with United Coconut Planters Life, Sector Insurance Agency, and Insular Life.

Mr. Tan received his AB Economics degree from the University of the Philippines. He finished his post graduate degree on Management Processes & Practice in Asian Institute of Management.

DEVORAH Q. DELA CRUZ, age 65, *Filipino*, is the Assistant Vice President for Credit and Collections. Ms. Dela Cruz joined the Registrant in June 1993. She is also currently the Accountant of Beneficial Financial Advisors, Inc.

Ms. Dela Cruz graduated with a BSBA – Accounting degree at the Pamantasan ng Lungsod ng Maynila and she passed the CPA board examination in 1985.

MARITESS M. LLAPITAN, age 58, *Filipino*, is the Assistant Vice President for Underwriting. Prior to joining the Registrant in July 2016, Ms. Llapitan was the Compliance Officer and Head of New Business and Underwriting and Licensing Department of the Philippine Prudential Life Co., Inc. She also worked as the Senior Manager of the New Business and Underwriting Department of Sunlife–Grepalife Insurance Co./Great Pacific Life Assurance Co., Operations Director at Manulife Financial Business Processing Services, Group Life Manager at The Manufacture Life Insurance Company Philippine Branch, Underwriting Manager of Philam Equitable Life Assurance Co., Manager of the Underwriting, New Business and Policy Department of John Hancock Life Assurance Co., and Senior Underwriter at First Guarantee Life Assurance Company, Inc.

Ms. Llapitan received her Bachelor of Science degree, major in Medical Technology, from San Juan De Dios College, Pasay City, graduating as a Bronze Medalist and with academic citation for Clinical Excellence.

ELIZABETH T. FLORES, age 66, *Filipino*, is the Assistant Vice President for Health Care Services. She held the position of Senior Vice President for Administration in Star Healthcare Systems, Inc. prior to joining the Registrant in October 2016. She likewise worked with First Guarantee Life Assurance Co., Inc. and Corregidor Life Insurance.

Ms. Flores graduated from the Polytechnic University of the Philippines with a BSC- Economics degree. She has a master's degree in Business Administration from the same university.

GLENN P. ABUZO, age 55, *Filipino*, is the Assistant Vice President for Management Information System (MIS) of the Registrant. Before joining BenLife in 2016, he worked for several companies as an IT professional, the last of which was with IBM Solutions Delivery Inc. as an IT Specialist where he handled IBM Internal, Deutsche Bank and Shell Petroleum Inc. accounts among others.

Mr. Abuzo graduated from the Central Colleges of the Philippines in 1991 with a Bachelor of Science degree major in Computer Science.

JOHN JORGE S. ORBE, age 54, *Filipino*, is the Assistant Vice President for Facilities and Procurement Department of the Registrant. He is a licensed Mechanical Engineer having passed the Professional Regulation Commission Licensure examination in 1994. His 26 year career as a Mechanical Engineer includes prior experience from EEI Corporation, LanDev Corporation and Quadriver Energy Corporation (Energy Company of Ayala Corporation).

Mr. Orbe received his Bachelor of Science degree in Mechanical Engineering from the Central Philippine University in Iloilo City.

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

The management of Beneficial Life Insurance Company, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

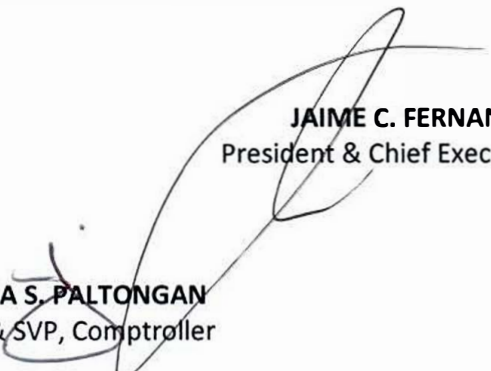
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

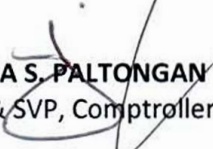
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


JOHN E. HUANG
Chairman of the Board


JAIME C. FERNANDEZ
President & Chief Executive Officer


MA. EDITHA S. PALTONGAN
Treasurer & SVP, Comptroller

Signed this 8th day of April 2026

SUBSCRIBED AND SWORN to before me this MAY 06 2026, affiants exhibiting to me their Passport, as follows:

<u>Name</u>	<u>Passport</u>	<u>Issued at</u>	<u>Issued & Expiry Date</u>
John E. Huang	P8640188A	Manila	09/06/18 & 09/05/28
Jaime C. Fernandez	P4426338B	Manila	01/17/20 & 01/16/30
Ma. Editha S. Paltongan	P2544046B	NCR South	07/15/19 & 07/14/29

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Page no. 80
Book no. VIII
Series of 2026




ATTY. CAESAR LEOCADIO P. ACEBEDO
Notary Public - Attorney Roll No. 73849
IBP No. 579495
PTR No. 10764907 / 01-05-2026 Makati City
MCLE Compliance No. VIII-0025115, 03/27/2025

Beneficial Life Insurance Company, Inc.

166 Salcedo St., Legaspi Village, Makati City 1229 P.O. Box 1903
T (+632) 8818-8671 • F (+632) 8554-7539 to 30, (+632) 8554-7527


BenLife
www.benlife.com.ph
Alagang tunay. Alagang BenLife.



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Beneficial Life Insurance Company, Inc.
Beneficial Life Building
166 Salcedo St.
Legaspi Village, Makati City

Opinion

We have audited the financial statements of Beneficial Life Insurance Company, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to financial statements, including a summary of 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 ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

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



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

Responsibilities of Management and Those Charged with Governance for the 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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, 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 auditors' 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 auditors' 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 audits.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

IC Accreditation IC-EA-2024-0018-R

Valid for Financial Periods 2024 to 2026

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

BENEFICIAL LIFE INSURANCE COMPANY, INC.

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Cash and cash equivalents	4	₱654,688,941	₱1,016,950,638
Short-term investments	4	1,161,886	11,735,929
Insurance receivables	5	132,896,199	18,322,407
Investment securities	6	8,401,385,428	7,563,055,517
Loans receivables	7	1,035,983,046	1,156,531,644
Accrued investment income	6	108,178,714	98,538,765
Property and equipment:	9		
At revalued amount		1,546,381,160	938,679,478
At cost		24,703,400	25,575,984
Other assets		68,661,709	136,353,152
		₱11,974,040,483	₱10,965,743,514
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	10	₱5,406,927,140	₱5,393,179,727
Premium deposit fund	11	289,849,708	299,280,463
Insurance payables	12	8,013,841	76,040
Accounts payable and accrued expenses	14	131,264,343	136,390,102
Net deferred tax liabilities	23	340,855,218	202,521,763
Net retirement liability	22	135,188,640	130,392,926
Other liabilities	15	341,766,963	300,528,903
Total Liabilities		6,653,865,853	6,462,369,924
Equity			
Capital stock		626,756,494	626,756,494
Additional paid-in capital		489,265,675	489,265,675
Retained earnings:	16		
Appropriated		84,426,456	307,187,300
Unappropriated		2,421,370,205	1,967,826,601
Other comprehensive income		1,698,355,800	1,112,337,520
Total Equity		5,320,174,630	4,503,373,590
		₱11,974,040,483	₱10,965,743,514

See accompanying Notes to Financial Statements.

BENEFICIAL LIFE INSURANCE COMPANY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2025	2024	2023
REVENUES				
Gross premiums on insurance contracts	18	₱1,435,163,550	₱1,859,977,403	₱2,155,158,646
Reinsurers' share of gross premiums on insurance contracts	18	(44,401,563)	(42,952,658)	(35,913,940)
Net insurance premiums		1,390,761,987	1,817,024,745	2,119,244,706
Interest income	4	438,188,425	474,946,958	444,454,994
Dividend income	6	46,815,694	46,677,567	47,820,624
Net fair value gain on financial assets at fair value through profit or loss (FVPL)	6	15,337,493	14,899,387	–
Rental income	24	4,441,929	4,275,342	4,237,718
Gain on sale of investment securities	6	–	69,629,952	–
Other income		49,897,277	28,118,699	35,482,344
		1,945,442,805	2,455,572,650	2,651,240,386
BENEFITS, CLAIMS AND EXPENSES				
Net benefits and claims incurred on insurance contracts	19	706,638,679	1,271,541,324	1,403,391,364
Net change in legal policy reserves	19	191,100,173	129,362,339	141,870,234
Net insurance benefits and claims		897,738,852	1,400,903,663	1,545,261,598
General and administrative expenses	20	608,993,716	646,958,216	609,020,550
Commission and other direct expenses	21	120,652,292	176,489,231	228,961,768
Insurance taxes		27,062,612	35,963,975	42,174,633
Finance costs and charges	21	23,167,271	24,482,080	27,086,136
Loss on sale of investment securities	6	40,399,652	–	10,651,959
Net fair value loss on financial assets at fair value through profit or loss (FVPL)	6	–	–	13,696,100
		1,718,014,395	2,284,797,165	2,476,852,744
INCOME BEFORE FOREIGN EXCHANGE CHANGES AND IMPAIRMENT LOSSES				
		227,428,410	170,775,485	174,387,642
NET FOREIGN EXCHANGE GAIN (LOSS)		70,204,550	128,156,910	(15,806,957)
PROVISION FOR IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES AND INVESTMENT SECURITIES				
	6	(31,029,155)	(96,113,617)	(13,229,929)
INCOME BEFORE INCOME TAX		266,603,805	202,818,778	145,350,756
INCOME TAX EXPENSE (BENEFIT)				
	23			
Current		6,479,936	2,703,503	14,481,694
Deferred		(398,861)	(22,132,052)	(21,257,488)
Final		51,555,783	49,306,437	39,428,538
		57,636,858	29,877,888	32,652,744
NET INCOME		208,966,947	172,940,890	112,698,012

(Forward)

Years Ended December 31				
	Note	2025	2024	2023
NET INCOME		₱208,966,947	₱172,940,890	₱112,698,012
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will be reclassified to profit or loss in subsequent periods -</i>				
Change in revaluation reserves on investment securities [debt instruments classified as financial assets at fair value through other comprehensive income (FVOCI)]	6	98,166,017	(45,088,463)	65,459,076
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Revaluation increase on property and equipment - net of deferred tax	9	408,921,154	—	—
Change in revaluation reserves on investment securities (equity instruments classified as financial assets at FVOCI)	6	90,202,324	78,967,250	2,784,958
Remeasurement gain (loss) on legal policy reserves	10	(10,436,502)	85,370,635	(11,783,475)
Remeasurement gain (loss) on retirement liability - net of deferred tax	22	1,994,739	(3,252,461)	(4,187,675)
		490,681,715	161,085,424	(13,186,192)
		588,847,732	115,996,961	52,272,884
TOTAL COMPREHENSIVE INCOME		₱797,814,679	₱288,937,851	₱164,970,896

See accompanying Notes to Financial Statements.

BENEFICIAL LIFE INSURANCE COMPANY, INC.

STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2025	2024	2023
CAPITAL STOCK - ₱1 par value				
Authorized - 1,000,000,000 shares				
Issued and outstanding - 626,756,494 shares		₱626,756,494	₱626,756,494	₱626,756,494
ADDITIONAL PAID-IN CAPITAL		489,265,675	489,265,675	489,265,675
RETAINED EARNINGS				
Appropriation for Negative Legal Policy Reserves				
	16			
Balance at beginning of year		307,187,300	231,755,842	172,643,555
Appropriation (reversal of appropriation)		(222,760,844)	75,431,458	59,112,287
Balance at end of year		84,426,456	307,187,300	231,755,842
Unappropriated				
Balance at beginning of year		1,967,826,601	1,861,791,807	1,843,207,064
Net income		208,966,947	172,940,890	112,698,012
Reversal of appropriation for (appropriation for) negative legal policy reserves	16	222,760,844	(75,431,458)	(59,112,287)
Transfer from revaluation reserves on investment securities	6	18,043,211	4,764,761	(38,761,584)
Transfer of revaluation surplus on property and equipment	9	3,772,602	3,760,601	3,760,602
Balance at end of year		2,421,370,205	1,967,826,601	1,861,791,807
		2,505,796,661	2,275,013,901	2,093,547,649
OTHER COMPREHENSIVE INCOME (LOSS)				
Revaluation Reserves on Investment Securities				
Balance at beginning of year		(190,333,596)	(224,212,383)	(292,456,417)
Change in revaluation reserves	6	188,368,341	33,878,787	68,244,034
Balance at end of year		(1,965,255)	(190,333,596)	(224,212,383)
Revaluation Surplus on Property and Equipment - Net of deferred tax				
	9			
Balance at beginning of year		573,372,182	576,192,633	579,013,084
Transfer of revaluation surplus		(2,829,452)	(2,820,451)	(2,820,451)
Appraisal increase		408,921,154	—	—
Balance at end of year		979,463,884	573,372,182	576,192,633

(Forward)

Years Ended December 31				
	Note	2025	2024	2023
Cumulative Remeasurement Gain on Legal Policy Reserves				
	10			
Balance at beginning of year		₱733,731,619	₱648,360,984	₱660,144,459
Remeasurement gain (loss)		(10,436,502)	85,370,635	(11,783,475)
Balance at end of year		723,295,117	733,731,619	648,360,984
Cumulative Remeasurement Gain (Loss) on Net Retirement Liability - Net of deferred tax				
	22			
Balance at beginning of year		(4,432,685)	(1,180,224)	3,007,451
Remeasurement gain (loss)		1,994,739	(3,252,461)	(4,187,675)
Balance at end of year		(2,437,946)	(4,432,685)	(1,180,224)
		1,698,355,800	1,112,337,520	999,161,010
		₱5,320,174,630	₱4,503,373,590	₱4,208,730,828

See accompanying Notes to Financial Statements.

BENEFICIAL LIFE INSURANCE COMPANY, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31

CASH FLOWS FROM OPERATING ACTIVITIES

Income before income tax		₱266,603,805	₱202,818,778	₱145,350,756
Adjustments for:				
Interest income	4	(438,188,425)	(474,946,958)	(444,454,994)
Unrealized foreign exchange loss (gain)		(70,917,896)	(106,594,924)	12,629,136
Provision for (reversal of) impairment losses on:				
Loans receivables	7	30,000,000	98,638,964	6,476,786
Investment securities	6	1,029,155	(2,525,347)	6,753,143
Loss (gain) on sale of investment securities	6	40,399,652	(69,629,952)	10,651,959
Dividend income	6	(46,815,694)	(46,677,567)	(47,820,624)
Depreciation	9	26,302,084	22,714,987	23,315,344
Retirement benefits cost	22	22,054,782	19,598,443	20,087,449
Finance costs	21	16,460,196	17,914,867	19,330,621
Net fair value loss (gain) on financial assets at FVPL	6	(15,337,493)	(14,899,387)	13,696,100
Gain on sale of property and equipment	9	(1,070,000)	–	–
Operating loss before working capital changes		(169,479,834)	(353,588,096)	(233,984,324)
Decrease (increase) in:				
Short-term investments		10,574,043	52,722,426	(12,276,253)
Insurance receivables		(114,573,792)	(6,479,793)	(3,626,568)
Loans receivables		90,548,598	59,229,061	(48,651,380)
Increase (decrease) in:				
Insurance contract liabilities		3,310,911	355,834,973	420,544,044
Premium deposit fund		(9,612,669)	(14,240,240)	(30,316,014)
Insurance payables		7,937,801	884	(21,156,533)
Accounts payable and accrued expenses		(5,125,759)	1,515,099	7,116,766
Other liabilities		41,302,586	19,851,060	26,919,273
Net cash generated from (used in) operations		(145,118,115)	114,845,374	104,569,011
Income tax paid		(53,551,398)	(60,661,196)	(49,500,908)
Contributions to retirement plan	22	(10,000,000)	(10,000,000)	(10,000,000)
Benefits paid out of Company's fund	22	(4,599,419)	(13,749,196)	(5,360,424)
Net cash provided by (used in) operating activities		(213,268,932)	30,434,982	39,707,679

(Forward)

Years Ended December 31				
	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Investment securities	6	(P2,264,442,156)	(P2,362,550,611)	(P3,330,428,170)
Property and equipment		(21,576,349)	(20,611,456)	(13,753,913)
Other assets		(416,002)	(3,997,717)	(18,867,384)
Proceed from sale or maturities of:				
Investment securities		1,662,383,268	1,876,895,925	2,718,292,398
Property and equipment	9	1,070,000	—	—
Interest received		443,516,344	398,319,781	437,596,503
Dividends received		46,814,938	46,640,664	47,820,624
Net cash used in investing activities		(132,649,957)	(65,303,414)	(159,339,942)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	13	(16,278,282)	—	(45,554)
Cash dividends paid		(64,526)	—	(725,714)
Loan payments		—	—	(5,309,184)
Cash used in financing activities		(16,342,808)	—	(6,080,452)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(362,261,697)	(34,868,432)	(125,712,715)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,016,950,638	1,051,819,070	1,177,531,785
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P654,688,941	P1,016,950,638	P1,051,819,070
NONCASH FINANCIAL INFORMATION				
Reclassification from other asset to construction in progress	9	P66,326,627	P—	P—

See accompanying Notes to Financial Statements.

BENEFICIAL LIFE INSURANCE COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025 and 2024

AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

1. Corporate Information

Beneficial Life Insurance Company, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on March 16, 1960 to engage in the business of life insurance. The Company is also licensed to engage in reinsurance business. The Company extended its corporate life for another 50 years commencing on March 16, 2010. However, as prescribed by the Revised Corporation Code of the Philippines which became effective on February 23, 2019, the Company shall have perpetual existence.

The Company's Certificate of Authority issued by the Insurance Commission (IC) is valid until December 31, 2027.

The Company is 81%-owned by FMF Development Corporation (FMF or Parent Company), a holding company incorporated in the Philippines and primarily engaged in owning, investing in and managing properties, shares of stock and other securities.

The Company's registered office address is located at Beneficial Life Building, 166 Salcedo St., Legaspi Village, Makati City.

The accompanying financial statements of the Company as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 8, 2026.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the financial statements are consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values represent absolute amounts unless otherwise stated.

The financial statements of the Company have been prepared on a historical cost basis, except for financial assets at FVPL and FVOCI which are carried at fair values, certain components of property and equipment which are carried at revalued amounts, and net retirement liability which is carried at the present value of the defined benefit obligation less fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and consideration received for incurring liability.

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

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

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

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

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

Further information about the assumptions made in measuring fair value is included in the following notes:

- Note 3 - Significant Judgments, Accounting Estimates and Assumptions
- Note 6 - Investment Securities
- Note 9 - Property and Equipment
- Note 26 - Risk Management Objectives and Policies

Adoption of Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Accounting Standards Volume 11:
 - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS Accounting Standards 17, *Insurance Contracts* – This standard will replace PFRS Accounting Standards 4, *Insurance Contracts*. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was issued to (i) reduce costs of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS Accounting Standards 17 for the first time.

In response to the challenges brought by the COVID-19 pandemic, the Insurance Commission (IC) issued Circular Letter 2020-062, *Amendment of Section 1 of Circular Letter No. 2018-69, Deferral of IFRS 17 Implementation*, which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date.

Consequently, on March 10, 2025, the IC issued Circular Letter No. 2025-004, *Application of PFRS Accounting Standards 17-Insurance Contracts in the Audited Financial Statements and Preparation of IC Reportorial Requirements*, to further defer the initial application date of PFRS Accounting Standards 17 for an additional two years. The IC, FSRSC and SEC recognized the need to provide more time for the adoption of PFRS Accounting Standards 17 due to gaps in the insurance industry's preparation. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS Accounting Standards 17 for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

- Amendment to PFRS Accounting Standards 17, *Insurance Contracts - Initial Application of PFRS Accounting Standards 17* and PFRS Accounting Standards 9, *Financial Instruments - Comparative Information* – The amendment adds a transition option for a “classification overlay” to address temporary accounting mismatches between financial assets and insurance contract liabilities relating to comparative information presented on the initial application of PFRS Accounting Standards 17. If an entity elects to apply the classification overlay, it can only do so for comparative periods to which it applies PFRS Accounting Standards 17. No amendments have been made to the transition requirements of PFRS Accounting Standards 9.
- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company except for PFRS Accounting Standards 17. The management is currently in the process of performing detailed review and analysis to determine the financial impact of the new insurance contract standard. Additional disclosures will be included in the financial statements, as applicable.

The adoption of PFRS 18 is not expected to have a material impact on the Company’s financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of a financial instrument.

Initial Recognition and Measurement Financial instruments are initially measured at fair value. Transaction costs are included in the initial measurement of financial instruments, except for those measured at FVPL.

Financial Assets

In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Classification and Measurement

The Company classifies its financial assets at initial recognition under the following categories; (a) financial assets at amortized cost, (b) financial assets at FVOCI and (c) financial assets at FVPL. The classification of a financial assets is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any

The Company's cash and cash equivalents, short-term investments, insurance receivables, loans receivable, accrued investment income, and certain debt securities under "Investment securities" are classified under this category.

Debt Instruments at FVOCI. Debt instruments shall be measured at FVOCI if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, debt instruments at FVOCI are subsequently measured at fair value. Interest income using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Changes in the fair value are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

The Company's investments in government and private debt securities that are managed under a business model achieved through both collection of contractual cash flows and sale are classified under this category.

Equity Instruments at FVOCI. On initial recognition, the Company may irrevocably designate equity instruments that are not held for trading as financial assets at FVOCI.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value are recognized in other comprehensive income and accumulated equity. Upon disposal of these equity instruments, cumulative gains or losses previously recognized in other comprehensive income are not reclassified to profit or loss on disposal but are transferred directly to retained earnings.

The Company's investments in equity instruments which are designated at FVOCI are included under this category.

Financial Assets at FVPL. Financial assets that do not meet the criteria for classification at amortized cost or FVOCI are classified at FVPL. Financial assets at FVPL are subsequently measured at fair value, with changes in fair value recognized in profit or loss. Interest income and dividend income earned on these investments are likewise recognized in profit or loss.

The Company's investments in certain private debt securities held for trading and preferred equity instruments are classified under this category.

Impairment

The Company recognizes an allowance for expected credit losses (ECL) for debt instruments measured at amortized cost and debt instruments measured at FVOCI.

The Company applies the general approach in measuring ECL. Under the general approach, the allowance is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case, the allowance is measured at an amount equal to lifetime ECL.

In determining whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, including internal and external credit ratings, historical payment experience, aging profile, and forward-looking information.

Reclassification

The Company reclassifies financial assets only when it changes its business model for managing financial assets. Reclassifications are applied prospectively from the reclassification date.

Derecognition

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 has expired; or
- the Company has transferred its right to receive cash flows from the financial 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.

Where the Company retains continuing involvement in a transferred financial asset, the asset is recognized to the extent of the Company's continuing involvement.

Financial Liabilities

Classification and Measurement

The Company classifies its financial liabilities at initial recognition as financial liabilities at amortized cost.

Financial liabilities at amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company's insurance contract liabilities, premium deposit fund, insurance payables, loans payable, accounts payable and accrued expenses (excluding statutory payables) and other liabilities are classified under this category.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

When 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, the original liability is derecognized and a new liability is recognized. The difference in the carrying amounts is recognized in profit or loss.

If the modification does not result in derecognition, the carrying amount of the liability is adjusted for costs or fees incurred as part of the modification and is amortized over the remaining term of the modified liability.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Insurance Contracts

Product Classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime unless all rights and obligations are extinguished or expire.

Insurance contracts are classified as contracts with or without discretionary participation features (DPF). DPF represents a contractual right to receive additional benefits, as a supplement to guaranteed benefits, the amount or timing of which is contractually at the discretion of the issuer and are based on the performance of specified contracts or specified assets held by the issuer.

Conventional Long-term Insurance Contracts

These contracts insure events associated with human life such as, death or survival, over a long duration. Premiums are recognized as revenue when due from policyholders. Benefits and claims are recognized as expense when they are incurred or when the policies mature.

A liability for future policy benefits is recognized for insurance contracts in force as at the reporting date. The liability is determined as the present value of expected future benefit payments and related expenses less the present value of expected future premiums arising from the policies. The liability is based on assumptions as to mortality, reserve methodology, and discount rates prescribed or approved by the IC.

Reinsurance Contracts

The Company cedes insurance risk in the normal course of business to reinsurers. Amounts recoverable from reinsurers are recognized as part of "Insurance receivables" in the statements of financial position, while amounts payable to reinsurers are recognized as part of "Insurance payables."

An impairment review is performed at each reporting date or more frequently when there is an indication that amounts due from reinsurers may not be recoverable. Impairment losses are recognized in profit or loss.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. The Company also assumes reinsurance risk in the normal course of business. Premiums and claims on assumed reinsurance are recognized as income and expenses in the same manner as direct insurance business, taking into account the classification of the underlying reinsured contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognized when the related contractual rights are extinguished or expired or transferred.

Legal Policy Reserves

Legal policy reserves represent liabilities for future contractual benefits on policies in force as at reporting date, as determined based on actuarial valuation performed by an independent appraiser.

The liability is calculated as the present value of future benefits and expenses less the present value of future net premiums arising from the policies, discounted using the appropriate risk-free discount rates prescribed by the IC. The liability is determined by using best estimate assumptions with appropriate provision for adverse deviation. The assumptions vary depending on the product type. Mortality and morbidity assumptions are based on standard mortality tables prescribed by the IC.

Changes in legal policy reserves are recognized in profit or loss under "Net change in legal policy reserves," while changes arising from movements in discount rates are recognized in other comprehensive income under "Remeasurement gain (loss) on legal policy reserves."

Policy and Contract Claims

Policy and contract claims represent liabilities for unpaid claims and benefits arising from death, surrenders and maturities, including claims incurred but not yet reported as at reporting date.

The liability is estimated based on historical claims experience and other available information.

Property and Equipment

Property and equipment, other than land, buildings and office condominium, are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs necessary to bring the asset to its intended location and condition for use. Subsequent costs are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance are recognized in profit or loss as incurred.

When property and equipment are disposed of, the cost and the related accumulated depreciation and impairment losses, if any, are derecognized and any resulting gain or loss is recognized in profit or loss.

The Company's land, buildings and office condominium are carried at revalued amounts based on valuations performed by an independent appraiser. Increases in the carrying amount arising from revaluation are recognized in other comprehensive income and accumulated under "Revaluation surplus on property and equipment." Decreases that offset previous increases of the same asset are charged against the revaluation surplus directly in equity; all other decreases are recognized in profit or loss.

Annually, a portion of the revaluation surplus equivalent to the incremental depreciation arising from the revaluation is transferred directly to retained earnings.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and available for use. Upon the disposal of a revalued asset, the related revaluation surplus realized from previous valuations is transferred directly to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Number of years
Buildings and office condominium	10 - 40
Transportation equipment	3 - 5
Office furniture and equipment	2 - 5

The residual values, useful lives and depreciation method are reviewed periodically and adjusted prospectively, if appropriate, to ensure that these remain consistent with the expected pattern of economic benefits embodied in the assets.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is any indication that a nonfinancial asset may be impaired. When such indication exists, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and value-in-use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and the resulting impairment loss is recognized in profit or loss.

For assets that do not generate independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The Company also assesses at each reporting date 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 when there has been a change in the estimates used to determine the asset's recoverable amount. The reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously.

Premium Deposit Fund

Premium deposit fund represents premium deposits received from policyholders which earn interest at rates declared by the Company, but not lower than the prevailing minimum interest rates on bank savings deposits. The amount of premium deposits shall not exceed the future contractual premiums of the related insurance contracts. If premiums remain unpaid on the due date and the premium deposit fund balance is sufficient to cover the premiums due, the unpaid premiums are automatically applied against the fund balance.

Equity

Capital Stock. Capital stock is stated at par value for all shares issued.

Additional Paid-in Capital (APIC). Excess of proceeds over the par value of shares issued is recognized as APIC. Incremental costs directly attributable to the issuance of new shares are deducted from APIC.

Retained Earnings. Retained earnings represent accumulated earnings of the Company, less dividends declared and prior period adjustments, if any. Unappropriated retained earnings represent the portion available for dividend declaration, while appropriated retained earnings represent the portion that has been restricted for specific purposes and is therefore is not available for dividend declaration.

Other Comprehensive Income. Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. These include revaluation reserves on investment securities, revaluation surplus on property and equipment, remeasurement gain or loss on legal policy reserves, and remeasurement gain or loss on net retirement liability. Items of other comprehensive income that may be reclassified subsequently to profit or loss are presented separately from items that will not be subsequently reclassified to profit or loss.

Revenue Recognition

The Company assesses its revenue arrangements to determine if it is acting as principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

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

Premium Income. Premium income from life insurance contracts is recognized as revenue when due from policyholders. For single premium contracts, premium income is recognized on the effective date of the policy.

Estimates of premiums due but not yet received as at reporting date are recognized based on historical collection experience and underwriting information and are included in premium income.

Interest Income. Interest income on financial assets measured at amortized cost, FVOCI and FVPL is recognized using the effective interest method.

For financial assets that have become credit-impaired, interest income continues to be recognized based on the original effective interest rate applied to the net carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Company's right to receive the payment is established.

Other Income. Other income includes policy issue fees and other operating income recognized in profit or loss when earned.

Benefits, Claims and Expenses Recognition

Benefits and Claims. Benefits and claims consist of benefits and claims incurred during the year and changes in legal policy reserves, including incurred but not reported (IBNR) claims. Death claims and surrenders are recognized upon receipt of notification, while maturities are recognized when due.

General and Administrative Expenses. General and administrative expenses are recognized as expense when incurred.

Commission and Other Direct Expenses. Commissions and other direct expenses are recognized when the insurance contracts are issued and the related premium income are recognized.

Insurance Taxes. Insurance taxes pertain mainly to premium taxes and documentary stamp taxes on life insurance policies and are recognized as expense when incurred.

Finance Costs and Charges. Finance costs and charges consist mainly of interest expense and bank charges. Interest expense is recognized in profit or loss using the effective interest method.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution and other short-term benefits. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has a funded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

Net interest on the net retirement liability or asset is the change during the period in the net retirement 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 retirement liability or asset.

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.

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 retirement asset or liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets on which the liabilities are to be settled directly. The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate and tax laws enacted or substantively enacted at the reporting date.

Final Tax. Final taxes are recognized for taxes paid on certain income payments. These are not creditable to income tax due on income subject to regular corporate income tax (RCIT). The applicable tax rates differ depending on the particular income subject to final tax.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward benefits of net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over the RCIT, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward benefits of NOLCO and excess MCIT over RCIT 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 future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax assets and 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.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessor. Leases where the Company retains substantially all the risks and rewards of ownership of the underlying asset are classified as operating leases. Rental income from operating leases is recognized in profit or loss on a straight-line basis over the lease term. 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.

The Company as a Lessee. The Company leases branch and agency office spaces under lease agreements with terms ranging from one (1) year to three (3) years. The Company applies the recognition exemptions for short-term leases and leases of low-value assets. Accordingly, lease payments on these leases are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of the reporting year. Foreign exchange differences are credited or charged directly to profit or loss.

Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the end of reporting year (adjusting events) are reflected in the financial statements. Events after reporting that are non-adjusting events are disclosed in the notes to financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the related disclosures in the financial statements. The judgments, estimates and assumptions are based on management's evaluation of relevant facts and circumstances as at the reporting date. Actual results could differ from such estimates.

Judgments

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

Identifying the Product Classification. Management assesses whether insurance contracts issued by the Company transfer significant insurance risk and therefore qualify as insurance contracts under PFRS 4. In making this judgment, the Company evaluates whether the occurrence of the insured event could result in the payment of significant additional benefits to policyholders compared with benefits payable if the insured event did not occur. The classification of insurance contracts affects the recognition and measurement of premium income, policy reserves, benefits and claims, and related disclosures in the financial statements.

Classifying the Financial Instruments. The Company exercises judgment in determining the appropriate classification of its financial assets based on the assessment of the business model within which the financial assets are managed and whether the contractual cash flows represent solely payments of principal and interest (SPPI). In determining the applicable business model, the Company considers how groups of financial assets are managed to achieve particular business objectives and how cash flows are realized. The assessment of whether contractual cash flows meet the SPPI criterion requires management judgment in evaluating the contractual terms of the financial instruments.

The classification of financial assets affects their subsequent measurement as financial assets at amortized cost, FVOCI or FVPL, as well as the recognition of related gains, losses and impairment losses in the financial statements.

Defining Default and Credit-Impaired Financial Assets. In determining whether a financial asset is credit-impaired, the Company considers both quantitative and qualitative information, including whether the counterparty is experiencing significant financial difficulty or insolvency, whether the borrower or issuer is past due for a significant period based on the Company's internal credit risk management policies, whether concessions have been granted by the Company due to the borrower's financial difficulty that would not otherwise have been considered, and whether it is probable that the borrower or issuer will enter bankruptcy or financial reorganization.

The assessment of default and credit impairment is applied consistently in measuring expected credit losses (ECL) on financial assets..

Grouping of the Financial Assets for Measurement of ECL on a Collective Basis. For ECL provisions assessed on a collective basis, financial assets are grouped based on shared risk characteristics, such that risk exposures within each group have similar credit risk profiles. For loans receivable, the Company groups exposures based on the type of loan and the geographical location of the borrowers.

Determining the Lease Classification - Company as a Lessor. The Company has entered into lease agreements involving its investment properties and office condominium units. Management exercises judgment in determining whether substantially all the risks and rewards incidental to ownership of the leased assets are retained by the Company.

Based on management's assessment, the Company retains substantially all the significant risks and rewards of ownership of the leased properties and, accordingly, accounts for the leases as operating leases.

Rental income earned by the Company is disclosed in Note 24.

Determining the Lease Exemptions - Company as a Lessee. The Company has lease agreements for its branches and agency offices. Management exercises judgment in determining whether these lease arrangements qualify as short-term leases or leases of low-value assets under PFRS 16.

Based on management's assessment, the leases qualify for the recognition exemptions provided under PFRS 16. Accordingly, lease payments are recognized as rent expense on a straight-line basis over the lease term instead of recognizing right-of-use assets and lease liabilities.

Rental expense arising from these lease arrangements is disclosed in Note 24.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Determining the Fair Value of Financial Instruments. The fair values of financial instruments that are actively traded in organized financial markets are determined based on quoted market prices at reporting date. For financial instruments not traded in active markets, fair values are determined using valuation techniques that utilize observable market inputs, where available.

The fair value of financial instruments are disclosed in Note 26.

In determining the fair value of financial instruments and the related fair value hierarchy classification, management exercises judgment in assessing the significance of valuation inputs used in the measurement of the financial assets and liabilities.

Estimating the Legal Policy Reserves. Legal policy reserves are established in accordance with the requirements and guidelines prescribed by the Insurance Commission (IC). The determination of legal policy reserves requires the use of assumptions relating to mortality and morbidity, interest rates, lapse and persistency, expenses, non-guaranteed benefits and margins for adverse deviation, based on standard actuarial valuation methods and assumptions prescribed by the IC.

Changes in these assumptions may materially affect the legal policy reserves recognized in the financial statements.

The carrying amount of legal policy reserves is disclosed in Note 10.

Estimating the Claims Incurred but not Reported. A provision is recognized for claims incurred but not yet reported as at reporting date based on historical claims experience and other available information. The estimation of IBNR claims requires management judgment and the use of assumptions. Actual claims experience may differ from these estimates and may result in subsequent adjustments to the recognized liabilities. Changes in the estimated liability for claims incurred but not reported are recognized in profit or loss in the period the changes are determined.

The carrying amount of IBNR claims included under "Policy and contract claims" is disclosed in Note 10.

Estimating the Allowance for ECL of Financial Assets at Amortized Cost and Debt Instruments under Financial Assets at FVOCI. The Company measures allowance for expected credit losses (ECL) on financial assets at amortized cost and debt instruments classified as financial assets at FVOCI using the general approach under PFRS 9. Under this approach, ECL is measured based on either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition.

The determination of ECL requires management judgment and the use of assumptions, including the assessment of significant increase in credit risk, expected future cash flows, credit risk ratings, historical loss experience and forward-looking economic information.

In assessing whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information available without undue cost or effort, including actual or expected changes in external and internal credit ratings, adverse changes in business or economic conditions, and actual or expected deterioration in the financial condition or operating results of the borrower or issuer.

Changes in assumptions and forecasts may materially affect the allowance for ECL recognized in the financial statements.

The carrying amounts and allowance for ECL of the Company's financial assets at amortized cost and debt instruments at FVOCI are disclosed in Notes 4, 5, 6 and 7.

Estimating the Useful Lives of Property and Equipment. The useful lives of property and equipment are estimated based on the expected period over which the assets will be available for use. The estimates are based on historical experience, internal technical evaluation and industry practices for similar assets. The estimated useful lives, residual values and depreciation method are reviewed annually and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limitations on the use of the assets.

Changes in the estimated useful lives of property and equipment may affect the timing and amount of depreciation expense recognized in the financial statements.

There were no changes in the estimated useful lives of the Company's property and equipment at cost and revalued amounts in 2025 and 2024. The carrying amounts of property and equipment are disclosed in Note 9.

Determining the Revalued Amount of Property and Equipment. The Company carries certain land, buildings and office condominium units at revalued amounts based on valuations performed by an independent appraiser.

The fair values of land were determined primarily using the market data approach, which considers sales transactions and market prices of comparable properties adjusted for factors such as location, size, condition and market conditions. The fair values of buildings and office condominium units were determined using the cost approach, which considers the current replacement cost of the assets less depreciation and obsolescence. The determination of the revalued amounts of property and equipment requires management judgment and the use of assumptions and estimates. Changes in valuation assumptions and market conditions may materially affect the carrying amounts of the revalued properties.

The latest independent valuation of the Company's land, buildings and office condominium units was performed using a valuation cut-off date of December 31, 2025. The carrying amounts of property and equipment carried at revalued amounts are disclosed in Note 9.

Assessing the Impairment of Nonfinancial Assets. The Company assesses whether nonfinancial assets may be impaired whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Indicators of impairment include significant underperformance relative to historical or projected operating results, significant changes in the manner of use of the assets or business strategy, and significant adverse industry or economic trends.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are determined for individual assets or, when appropriate, for the cash-generating unit to which the asset belongs.

The determination of recoverable amounts requires management judgment and the use of assumptions and estimates, particularly in determining future cash flows expected to be generated from the assets. Changes in assumptions and estimates may materially affect the recoverable amounts of nonfinancial assets.

The carrying amounts of investment in subsidiary and property and equipment are disclosed in Notes 8 and 9.

Determining the Retirement Liability. The determination of the obligation and cost of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 22 to the financial statements and include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and recognized in other comprehensive income, therefore, generally affect the recognized expense and recorded obligation.

The carrying amount of net retirement liability is disclosed in Note 22.

Assessing the Realizability of Deferred Tax Assets. The Company's assessment of the recognition of deferred tax assets on deductible temporary differences is based on the Company's past results and future expectations on revenue and expenses. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Company's recognized deferred tax assets are disclosed in Note 23.

4. Cash and Cash Equivalents and Short-term Investments

Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱53,000	₱53,000
Cash in banks	459,750,044	646,986,401
Short-term deposits	194,885,897	369,911,237
	₱654,688,941	₱1,016,950,638

Cash and cash equivalents include cash in banks and short-term deposits which earn interest at the prevailing bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three months from date of maturity depending on the cash requirements of the Company.

Short-term Investments

Short-term investments amounted to ₱1.2 million and ₱11.7 million as at December 31, 2025 and 2024, respectively. Short-term investments are short-term placements with maturities of more than three months but less than one year from date of acquisition. The effective annual interest rates of these investments range between 1.15% to 4.5% and 1.80% to 6.20% in 2025 and 2024, respectively.

Interest Income

Interest income recognized in the statements of comprehensive income are as follows:

	Note	2025	2024	2023
Cash and cash equivalents		₱4,913,458	₱12,267,899	₱10,323,452
Short-term investments		11,110,736	19,998,775	14,046,437
Investment securities:	6			
Financial assets at amortized cost		237,158,018	217,157,826	165,566,665
Financial assets at FVOCI		116,250,052	94,215,334	81,127,595
Financial assets at FVPL		44,895,037	49,918,462	47,701,969
Loans receivables	7	23,861,124	81,388,662	125,688,876
		₱438,188,425	₱474,946,958	₱444,454,994

5. Insurance Receivables

This account consists of:

	2025	2024
Due from ceding companies	₱124,391,785	₱9,293,591
Premiums due and uncollected	8,504,414	9,028,816
	₱132,896,199	₱18,322,407

Premiums due and uncollected pertain to uncollected premiums on written policies which are collectible within the Company's 90-day grace period.

Due from ceding companies represents amounts receivable under reinsurance arrangements. These balances typically arise from premiums ceded, claims recoveries, commissions, and other contractual settlements due from ceding companies.

6. Investment Securities

Movements of this account are as follows:

	2025			
	Financial Assets			Total
	At FVPL	At FVOCI	At Amortized Cost	
Balance at beginning of year	₱890,336,536	₱3,009,346,639	₱3,663,372,342	₱7,563,055,517
Additions	254,796,542	886,544,497	1,123,101,117	2,264,442,156
Maturities and disposals	(329,743,619)	(432,736,023)	(922,215,066)	(1,684,694,708)
Fair value changes	15,337,493	184,208,077	—	199,545,570
Foreign exchange changes	25,382,948	48,789,490	—	74,172,438
Amortization	1,299,147	(15,007,674)	(627,819)	(14,336,346)
Provision for impairment loss	—	(45,000)	(754,199)	(799,199)
Balance at end of year	₱857,409,047	₱3,681,100,006	₱3,862,876,375	₱8,401,385,428

	2024			
	Financial Assets			Total
	At FVPL	At FVOCI	At Amortized Cost	
Balance at beginning of year	₱820,951,109	₱2,627,908,767	₱3,404,344,958	₱6,853,204,834
Additions	195,549,014	679,540,436	1,487,461,161	2,362,550,611
Maturities and disposals	(177,872,858)	(389,013,911)	(1,235,614,443)	(1,802,501,212)
Fair value changes	14,899,387	27,606,936	—	42,506,323
Foreign exchange changes	34,405,238	78,511,761	—	112,916,999
Amortization	2,404,646	(15,207,350)	4,622,437	(8,180,267)
Provision for impairment loss	—	—	2,558,229	2,558,229
Balance at end of year	₱890,336,536	₱3,009,346,639	₱3,663,372,342	₱7,563,055,517

Financial Assets at FVPL

This account consists of investments in private and foreign debt securities amounting to ₱857.4 million and ₱890.3 million as at December 31, 2025 and 2024, respectively.

Private debt securities earn annual interest of 2.10% to 8.00% and 2.32% to 8.65% in 2025 and 2024, respectively. Interest income amounted to ₱44.9 million, ₱49.9 million and ₱47.7 million in 2025, 2024 and 2023, respectively, net of amortization of net discount amounting to ₱1.3 million, ₱2.4 million and ₱2.1 million in 2025, 2024 and 2023, respectively (see Note 4).

Financial Assets at FVOCI

This account consists of:

	2025	2024
Debt securities:		
Government - foreign	₱1,571,577,876	₱1,188,390,585
Private - foreign	983,228,385	950,739,206
	2,554,806,261	2,139,129,791
Equity securities - local and foreign	1,126,293,745	870,216,848
	₱3,681,100,006	₱3,009,346,639

Private and government debt securities earn annual interest of 2.21% to 7.01% and 2.21% to 7.86% in 2025 and 2024, respectively. Interest income amounted to ₱116.3 million, ₱94.2 million and ₱81.1 million in 2025, 2024 and 2023, respectively, net of amortization of net premium amounting to ₱15.0 million, ₱15.2 million and net discount amounting to ₱13.0 million in 2025, 2024 and 2023, respectively (see Note 4).

Equity securities pertain to investments in shares listed in the Philippine Stock Exchange Index and other foreign stock exchange markets. Dividend income earned from financial assets at FVOCI amounted to ₱46.8 million, ₱46.7 million and ₱47.8 million in 2025, 2024 and 2023, respectively.

Movements of revaluation reserves on investment securities are as follows:

	2025		
	Fair Value Change	12-month ECL	Total
Balance at beginning of year	(₱205,359,507)	₱15,025,911	(₱190,333,596)
Change in revaluation reserves:			
Fair value changes	184,208,077	—	184,208,077
Foreign exchange changes	(1,187,691)	—	(1,187,691)
Transfer to retained earnings	(18,043,211)	—	(18,043,211)
Transfers to profit or loss due to:			
Sale and maturities	23,116,210	—	23,116,210
Provision for impairment loss	—	274,956	274,956
	188,093,385	274,956	188,368,341
Balance at end of year	(₱17,266,122)	₱15,300,867	(₱1,965,255)

	2024		
	Fair Value Change	12-month ECL	Total
Balance at beginning of year	(₱239,205,412)	₱14,993,029	(₱224,212,383)
Change in revaluation reserves:			
Fair value changes	27,606,936	—	27,606,936
Foreign exchange changes	5,112,718	—	5,112,718
Transfer to retained earnings	(4,764,761)	—	(4,764,761)
Transfers to profit or loss due to:			
Sale and maturities	5,891,012	—	5,891,012
Provision for impairment loss	—	32,882	32,882
	33,845,905	32,882	33,878,787
Balance at end of year	(₱205,359,507)	₱15,025,911	(₱190,333,596)

	2023		
	Fair Value Change	12-month ECL	Total
Balance at beginning of year	(₱303,466,960)	₱11,010,543	(₱292,456,417)
Change in revaluation reserves:			
Fair value changes	19,428,384	—	19,428,384
Foreign exchange changes	(4,580,379)	—	(4,580,379)
Transfer to retained earnings	38,761,584	—	38,761,584
Transfers to profit or loss due to:			
Sale and maturities	10,651,959	—	10,651,959
Provision for impairment loss	—	3,982,486	3,982,486
	64,261,548	3,982,486	68,244,034
Balance at end of year	(₱239,205,412)	₱14,993,029	(₱224,212,383)

Movements of revaluation reserves on investment securities segregated for items that will be reclassified or not to profit or loss in subsequent periods are as follows:

	2025	2024	2023
Balance at beginning of year	(₱190,333,596)	(₱224,212,383)	(₱292,456,417)
Items that will be reclassified to profit or loss	98,166,017	(45,088,463)	65,459,076
Items that will not be reclassified into profit or loss	90,202,324	78,967,250	2,784,958
Balance at end of year	(1,965,255)	(₱190,333,596)	(₱224,212,383)

Financial Assets at Amortized Cost

This account consists of:

	2025	2024
Government debt securities - local	₱3,446,599,400	₱3,146,237,738
Private debt securities - local	419,380,000	519,483,430
	3,865,979,400	3,665,721,168
Allowance for impairment loss (12-month ECL)	3,103,025	2,348,826
	₱3,862,876,375	₱3,663,372,342

Government and private debt securities earn annual interest of 2.63% to 10.38%, 2.38% to 10.39%, and 2.38% to 12.38% in 2025, 2024 and 2023, respectively. Interest income amounted to ₱237.2 million, ₱217.2 million and ₱165.6 million in 2025, 2024 and 2023, respectively, net of amortization of net premium amounting to ₱0.6 million in 2025 and net discount amounting to ₱4.6 million and ₱10.1 million in 2024 and 2023, respectively (see Note 4).

Movement of allowance for impairment loss on financial assets at amortized cost are as follows:

	2025	2024
Balance at beginning of year	₱2,348,826	₱4,907,055
Provision (reversal)	754,199	(2,558,229)
Balance at end of year	₱3,103,025	₱2,348,826

Sale of Investment Securities

The Company, in the normal course of business, has disposed various investment securities. The sale resulted to net loss of ₱40.4 million in 2025, net gain of ₱69.6 million in 2024, and net loss of ₱10.7 million in 2023.

Impairment Losses

Provision for (reversal of) impairment losses on investment securities and loans receivable recognized in the statements of comprehensive income are as follows:

	Note	2025	2024	2023
Loans receivable	7	₱30,000,000	₱98,638,964	₱6,476,786
Financial assets:				
At amortized cost		754,199	(2,558,229)	2,770,657
At FVOCI		274,956	32,882	3,982,486
		1,029,155	(2,525,347)	6,753,143
		₱31,029,155	₱96,113,617	₱13,229,929

Dividend Income

Dividend income arises from equity securities classified as financial assets at fair value through other comprehensive income (FVOCI). The Company recognized dividend income amounting to ₱46.8 million, ₱46.7 million, and ₱47.8 million in 2025, 2024, and 2023, respectively. No dividend income was recognized from financial assets at fair value through profit or loss (FVPL).

Accrued Investment Income

This account pertains to interest receivable and dividend receivable from the following:

	Note	2025	2024
Interest receivable:			
Investment securities		₱104,941,578	₱94,093,117
Short-term investments		521,539	731,488
Loans receivables:			
Third parties		2,496,406	3,057,564
Related parties	17	181,532	619,693
Dividend receivable		37,659	36,903
		₱108,178,714	₱98,538,765

7. Loans Receivables

This account consists of:

	Note	2025	2024
Salary loans		₱965,644,772	₱1,014,864,148
Policy loans		93,575,612	89,964,446
Due from related parties	17	77,479,250	77,479,250
Agents' balances		42,097,370	50,496,197
Mortgage and collateral loans:			
Related party	17	14,889,706	34,742,647
Third parties		297,632	3,585,082
Notes receivables		10,975,627	8,773,508
Others		42,642,774	58,246,063
		1,247,602,743	1,338,151,341
Less allowance for impairment loss		211,619,697	181,619,697
		₱1,035,983,046	₱1,156,531,644

Movements in the allowance for impairment loss on loans receivables are as follows:

	Note	2025		Total
		12-month ECL	Lifetime ECL	
Balance at beginning of year		₱38,224,966	₱143,394,731	₱181,619,697
Provision	6	30,000,000	–	30,000,000
Transfer from 12-month ECL to lifetime ECL		(29,382,195)	29,382,195	–
Balance at end of year		₱38,842,771	₱172,776,926	₱211,619,697

	Note	2024		Total
		12-month ECL	Lifetime ECL	
Balance at beginning of year		₱64,243,181	₱18,737,552	₱82,980,733
Provision	6	98,638,964	–	98,638,964
Transfer from 12-month ECL to lifetime ECL		(124,657,179)	124,657,179	–
Balance at end of year		₱38,224,966	₱143,394,731	₱181,619,697

	Note	2023		Total
		12-month ECL	Lifetime ECL	
Balance at beginning of year		₱62,104,064	₱34,400,411	₱96,504,475
Provision	6	6,476,786	–	6,476,786
Transfer from 12-month ECL to lifetime ECL		(4,337,669)	4,337,669	–
Write-off		–	(20,000,528)	(20,000,528)
Balance at end of year		₱64,243,181	₱18,737,552	₱82,980,733

Composition of allowance for impairment loss are as follows:

	Note	2025	2024
Salary loans		₱150,608,573	₱120,608,573
Due from related parties	17	52,350,172	52,350,172
Agents' balances		4,999,651	4,999,651
Notes receivables		2,860,226	2,860,226
Others		801,075	801,075
		₱211,619,697	₱181,619,697

Salary loans consist of loans granted to the employees and teachers of the Department of Education (DepEd). The Company and DepEd entered into a Memorandum of Agreement (MOA) to provide interest-bearing loans to employees and teachers. The loans earn annual interest rate ranging from 7.50% to 9.66% with terms of one to five years. Salary loans also consist of interest-bearing loans granted to members and employees of Tarlac Public School Teachers Association and BPA Management Services, Inc. with interest rate of 12% per annum and term of one to five years.

Policy loans pertain to loans issued to policyholders. These loans are issued with the cash surrender value of the policyholder's insurance policy as collateral. Interest is charged at 10% per annum.

Mortgage and collateral loans earn interest ranging from 5% to 9% per annum with a maximum maturity of 10 years.

Agents' balances pertain to advances to agents that are liquidated or settled through regular deductions from commissions or outright payments. Interest rate is 18% per annum.

Notes receivables pertain to loans to employees that are paid through salary deduction. Interest rates range from 4% to 18% per annum.

Others pertain to receivables from life insurance pools and security fund.

Interest income on loans receivables recognized in the statements of comprehensive income follows (see Note 4):

	Note	2025	2024	2023
Salary loans		₱10,408,704	₱52,082,993	₱111,716,966
Agents' balances		680,820	15,795,811	819,219
Policy loans		9,602,258	8,248,833	8,028,074
Mortgage and collateral loans:				
Related party	17	1,035,575	3,151,707	3,107,801
Third parties		—	—	24,189
Notes receivables		1,240,351	985,951	945,978
Others		893,615	1,123,367	1,046,649
		₱23,861,124	₱81,388,662	₱125,688,876

8. Investment in a Subsidiary

The Company's investment in a subsidiary follows:

Name of Subsidiary	Nature of Business	Percentage of Ownership	Cost	
			2025	2024
Beneficial Financial Advisors, Inc. (BFAI)	Consultancy and leasing	100%	₱12,169,453	₱12,169,453
Less allowance for impairment loss			12,169,453	12,169,453
			₱—	₱—

The principal office of BFAI is located at 3rd floor, Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City.

In 2021, the BOD and stockholders of BFAI approved a resolution on the cessation of BFAI's business operations effective June 30, 2023. The Company recognized impairment loss on its investment in BFAI amounting to ₱12.2 million because the management has assessed that the investment is no longer recoverable. Moreover, the Company has outstanding receivables from BFAI recorded as part of "Due from related parties" under "Loans receivables" account in the statements of financial position amounting to ₱52.4 million and ₱52.4 million as at December 31, 2025 and 2024, respectively, for which impairment loss is also recognized (see Note 17).

9. Property and Equipment

At Revalued Amounts

Movements of property and equipment at revalued amounts are as follows:

	Note	2025				Total
		Land	Buildings	Office Condominium	Construction in Progress	
Revalued Amounts						
Balance at beginning of year		₱831,879,999	₱390,986,667	₱59,568,781	₱—	₱1,282,435,447
Additions		—	—	—	3,695,533	3,695,533
Reclassification		—	—	—	66,326,627	66,326,627
Appraisal increase		531,453,000	7,843,920	5,931,286	—	545,228,206
Balance at end of year		1,363,332,999	398,830,587	65,500,067	70,022,160	1,897,685,813
Accumulated Depreciation						
Balance at beginning of year		—	311,472,998	32,282,972	—	343,755,970
Depreciation	20	—	6,112,588	1,436,095	—	7,548,683
Balance at end of year		—	317,585,586	33,719,067	—	351,304,653
Carrying Amount		₱1,363,332,999	₱81,245,001	₱31,781,000	₱70,022,160	₱1,546,381,160

	Note	2024				Total
		Land	Buildings	Office Condominium	Construction in Progress	
Revalued Amounts						
Balance at beginning of year		₱831,879,999	₱390,986,667	₱59,387,813	₱—	₱1,282,254,479
Additions		—	—	180,968	—	180,968
Balance at end of year		831,879,999	390,986,667	59,568,781	—	1,282,435,447
Accumulated Depreciation						
Balance at beginning of year		—	305,530,071	30,846,876	—	336,376,947
Depreciation	20	—	5,942,927	1,436,095	—	7,379,022
Balance at end of year		—	311,472,998	32,282,971	—	343,755,969
Carrying Amount		₱831,879,999	₱79,513,669	₱27,285,810	—	₱938,679,478

In 2025, the construction phase of an office unit was substantially completed. Accordingly, the related advances from other assets amounting to ₱66.3 million were classified to construction in progress. The office unit is subject to additional fit-out works and will be transferred to the appropriate asset category once it is ready for occupancy and available for use.

The latest independent property valuation of land, building and office condominium was performed for December 31, 2025, the valuation cut-off date. The appraisal resulted to an increase in revaluation surplus, net of deferred tax, amounting to ₱408.9 million.

The Company's property and equipment stated at appraised values are classified under Level 2 in the fair value hierarchy. The description of the valuation techniques used and key inputs to valuation are as follows:

Location	Valuation techniques	Observable inputs used	Range (weighted average)
Legaspi Village, Barangay San Lorenzo, Makati City, Metropolitan Manila	Market approach for land and cost approach for buildings	Reported/Asking prices per square meter of comparable lots for land, and Replacement Cost for buildings	₱1,413,761 to ₱2,000,000
Cebu Holdings Center, Cardinal Rosales Avenue, Cebu Business Park, Barangay Mabolo, Cebu City	Market approach for office condominium	Asking/Reported prices per square meter. of comparable condominium units	₱167,635 to ₱175,927
A. Pichon, Sr. Street, Barangay 39-D (Poblacion), Davao City	Market approach for land and cost approach for buildings	Reported/Asking prices per square meter of comparable lots for land, and Replacement Cost for buildings	₱70,000 to ₱80,385
Pendatun Avenue, Barangay Dadiangas North, General Santos City	Market approach for land and cost approach for buildings and other land improvements	Reported/Asking prices per square meter for Land; Replacement cost for buildings and other land improvements	₱25,000 to ₱38,388

Details of the valuation techniques used in measuring fair values of the Company's property and equipment are as follows:

- Market data approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.
- Cost approach involves an analysis of the buildings by breaking them down into major components such as foundation, columns, beams, floorings, walls, and roofing, among others, by using workable units such as lineal meter, square meter, cubic meter or other appropriate basic unit. The unit costs for each component are developed on the basis of current costs of materials, labor, plant and equipment prevailing in the locality where the building is situated. Indirect costs such as contractor's profits, overhead, taxes and fees are also considered.

In relation to changes in observable inputs used, generally, increases or decrease in prices per square meter and current cost of labor and materials are directly proportional to the fair value measurement of property and equipment.

Had the land, building and office condominium were carried at cost less accumulated depreciation, the carrying amounts would have been as follows:

2025				
	Land	Buildings	Office Condominium	Total
Cost	₱95,954,427	₱208,190,404	₱11,356,294	₱315,501,125
Accumulated depreciation	–	(136,982,379)	(8,111,590)	(145,093,969)
Carrying amount	₱95,954,427	₱71,208,025	₱3,244,704	₱170,407,156

2024				
	Land	Buildings	Office Condominium	Total
Cost	₱95,954,427	₱208,190,404	₱11,356,294	₱315,501,125
Accumulated depreciation	–	(133,304,988)	(8,012,900)	(141,317,888)
Carrying amount	₱95,954,427	₱74,885,416	₱3,343,394	₱174,183,237

Transfer of revaluation surplus on property and equipment to retained earnings, net of deferred tax, amounted to ₱2.8 million in 2025, 2024 and 2023.

Movements of revaluation surplus recognized in equity are as follows:

2025			
	Cumulative Revaluation Surplus	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱764,496,242	(₱191,124,061)	₱573,372,182
Appraisal Increase	545,228,206	(136,307,052)	408,921,154
Transfer to retained earnings	(3,772,602)	943,150	(2,829,452)
Balance at end of year	₱1,305,951,846	(₱326,487,963)	₱979,463,884

2024			
	Cumulative Revaluation Surplus	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱768,256,843	(₱192,064,210)	₱576,192,633
Transfer to retained earnings	(3,760,601)	940,150	(2,820,451)
Balance at end of year	₱764,496,242	(₱191,124,060)	₱573,372,182

2023			
	Cumulative Revaluation Surplus	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱772,017,445	(₱193,004,361)	₱579,013,084
Transfer to retained earnings	(3,760,602)	940,151	(2,820,451)
Balance at end of year	₱768,256,843	(₱192,064,210)	₱576,192,633

At Cost

Movements of property and equipment at cost are as follows:

	Note	2025		Total
		Transportation Equipment	Office Furniture and Equipment	
Cost				
Balance at beginning of year		₱87,501,733	₱125,883,349	₱213,385,082
Additions		6,458,792	11,422,024	17,880,816
Disposals		(5,306,765)	–	(5,306,765)
Balance at end of year		88,653,760	137,305,373	225,959,133
Accumulated Depreciation				
Balance at beginning of year		72,482,217	115,326,881	187,809,098
Depreciation	20	5,732,312	13,021,088	18,753,400
Disposals		(5,306,765)	–	(5,306,765)
Balance at end of year		72,907,764	128,347,969	201,255,733
Carrying Amount		₱15,745,996	₱8,957,404	₱24,703,400

	Note	2024		Total
		Transportation Equipment	Office Furniture and Equipment	
Cost				
Balance at beginning of year		₱79,962,107	₱112,992,487	₱192,954,594
Additions		7,539,626	12,890,862	20,430,488
Balance at end of year		87,501,733	125,883,349	213,385,082
Accumulated Depreciation				
Balance at beginning of year		67,563,348	104,909,785	172,473,133
Depreciation	20	4,918,869	10,417,096	15,335,965
Balance at end of year		72,482,217	115,326,881	187,809,098
Carrying Amount		₱15,019,516	₱10,556,468	₱25,575,984

Additions to property and equipment consist of the following:

	2025	2024	2023
At cost	₱17,880,816	₱20,430,488	₱11,135,610
At revalued amount	3,695,533	180,968	2,618,303
	₱21,576,349	₱20,611,456	₱13,753,913

Depreciation on property and equipment consists of the following (see Note 20):

	2025	2024	2023
At cost	₱18,753,400	₱15,335,965	₱15,823,573
At revalued amount	7,548,684	7,379,022	7,491,771
	₱26,302,084	₱22,714,987	₱23,315,344

In 2025, the Company sold fully depreciated items of property and equipment for aggregate proceeds and gain of ₱1.07 million. This is presented as part of other income.

The Company has fully depreciated property and equipment that are still in use with cost amounting to ₱128.72 million and ₱112.8 million as at December 31, 2025 and 2024, respectively.

10. Insurance Contract Liabilities

This account consists of:

	2025	2024
Legal policy reserves for:		
Ordinary life policies	₱2,107,271,545	₱1,800,250,323
Group life policies	1,269,739,550	1,399,867,675
Accident and health riders	64,691,237	40,047,659
	3,441,702,332	3,240,165,657
Policy and contract claims:		
Claims payable	1,652,485,395	1,834,860,234
Maturities and surrenders payable	250,082,301	241,446,911
Policyholders' benefits payable	62,657,112	76,706,925
	1,965,224,808	2,153,014,070
	₱5,406,927,140	₱5,393,179,727

Claims payable include provision for claims incurred but not yet reported amounting to ₱596.5 million and ₱751.0 million as at December 31, 2025 and 2024, respectively.

Movements in legal policy reserves are as follows:

	Note	2025	2024
Balance at beginning of year		₱3,240,165,657	₱3,196,173,953
Recognized in:			
Profit or loss	19	191,100,173	129,362,339
Other comprehensive loss (income)		10,436,502	(85,370,635)
Balance at end of year		₱3,441,702,332	₱3,240,165,657

Movement of cumulative remeasurement gain (loss) on legal policy reserves follows:

	2025	2024	2023
Balance at beginning of year	₱733,731,619	₱648,360,984	₱660,144,459
Remeasurement gain (loss) due to changes in discount rates	(10,436,502)	85,370,635	(11,783,475)
Balance at end of year	₱723,295,117	₱733,731,619	₱648,360,984

In compliance with the IC CL No. 2017-30, the Company appropriated its retained earnings for negative legal policy reserves representing traditional life policies wherein the present value of gross premiums exceeds the present value of benefits and expenses. The appropriation for negative legal policy reserves amounted to ₱84.4 million and ₱307.2 million as at December 31, 2025 and 2024, respectively (see Note 16).

Movements in policy and contract claims are as follows:

	Note	2025	2024
Balance at beginning of year		₱2,153,014,070	₱1,926,541,436
Benefits and claims	19	706,638,679	1,271,541,324
Payments		(894,427,941)	(1,045,068,690)
Balance at end of year		₱1,965,224,808	₱2,153,014,070

11. Premium Deposit Fund

Premium deposit fund pertains to deposits of the policyholders. These will be applied against future premiums. At the end of each year, interest is credited to this fund at rates as the Company declares but not less than the lowest interest rate prevailing on the bank savings accounts.

Premium deposit fund amounted to ₱289.8 million and ₱299.3 million as at December 31, 2025 and 2024, respectively. Interest expense amounted to ₱16.5 million and ₱17.9 million in 2025 and 2024, respectively (see Note 21).

12. Insurance Payables

Insurance payables pertain to amounts due to reinsurers arising from premiums ceded under the reinsurance contracts which are payable within 90 days. The movements in this account are as follows:

	Note	2025	2024
Balance at beginning of year		₱76,040	₱75,156
Premiums ceded	18	44,401,563	42,952,658
Payments		(36,463,762)	(42,951,774)
Balance at end of year		₱8,013,841	₱76,040

13. Loans Payable

Loans payable pertain to the credit line facility established by the Company with a foreign bank. The maximum loan amount under the agreement is SGD0.1 million and US\$7.0 million and bears interest rate of 1.50% to 5.10% per annum in 2025 and 2024. The loans are payable on a monthly basis. The credit facility is used to advance the funds needed by the Company in the acquisition of foreign investments.

The Company has no outstanding loans payable and has not incurred any interest expense as at and for the years ended December 31, 2025 and 2024. Interest expense incurred in 2023 amounted to ₱45,554 (see Note 21).

The changes in liabilities arising from financing activities as at December 31, 2025 and 2024 are as follows:

2025			
	Loans Payable	Dividends Payable (see Note 15)	Total
Balance at beginning of year	₱—	₱73,207,165	₱73,207,165
Changes from financing cash flows -			
Dividends paid	—	(64,526)	(64,526)
Balance at end of year	₱—	₱73,142,639	₱73,142,639

2024			
	Loans Payable	Dividends Payable (see Note 15)	Total
Balance at beginning of year	₱—	₱72,953,533	₱72,953,533
Non-cash changes -			
Reversal of payment due to stale checks	—	253,632	253,632
Balance at end of year	₱—	₱73,207,165	₱73,207,165

2023			
	Loans Payable	Dividends Payable (see Note 15)	Total
Balance at beginning of year	₱5,309,184	₱73,679,247	₱78,988,431
Changes from financing cash flows:			
Loan payments	(5,309,184)	—	(5,309,184)
Dividends paid	—	(725,714)	(725,714)
Balance at end of year	₱—	₱72,953,533	₱72,953,533

14. Accounts Payable and Accrued Expenses

This account consists of:

	2025	2024
Accounts payable	₱84,444,166	₱82,459,089
Accrued expenses	35,198,790	40,701,452
Statutory payables	11,621,387	13,229,561
	₱131,264,343	₱136,390,102

Accounts payable pertain to unpaid service fees and purchase of supplies. These are generally paid within 30 days.

Accrued expenses pertain to accruals for employee benefits, underwriting expenses, commissions, professional and legal fees, utilities, supplies, postage and shipping. These are generally payable within one year.

Statutory payables consist of withholding taxes, premium tax and documentary stamps tax that are payable on the next reporting period.

15. Other Liabilities

This account consists of:

	Note	2025	2024
Life insurance deposits		₱234,355,960	₱189,507,624
Dividends payable	13	73,142,639	73,207,165
Agents' fund		32,470,995	35,985,090
Others		1,797,369	1,829,024
		₱341,766,963	₱300,528,903

Life insurance deposits pertain to premiums received from policyholders with contracts that are still for processing and approval.

Dividends payable include amounts payable to stockholders for their share in the dividend declaration of the Company.

Agents' fund consists of withheld commissions from agents for future liabilities that may be incurred by the agent to the Company.

16. Retained Earnings

Unappropriated

Under the Philippine Corporation Code, stock corporations are generally prohibited from retaining surplus profits in excess of 100% of their paid up capital.

The Company's unappropriated retained earnings amounting to ₱2,421.4 million and ₱1,967.8 million as at December 31, 2025 and 2024, respectively, is in excess of its paid-up capital. The retention of excess retained earnings is mainly due to the compliance requirements of IC for minimum statutory net worth. Moreover, the Company intends to use the excess retained earnings for further capital investments.

Appropriated

On May 2, 2017, the IC issued CL No. 2017-30 requiring life insurance companies to appropriate portion of retained earnings for negative legal policy reserves. These reserves pertain to traditional life policies wherein the present value of gross premiums exceeds the present value of benefits and expenses.

Movements of retained earnings appropriated for negative reserves are as follows (see Note 10):

	2025	2024
Balance at beginning of year	₱307,187,300	₱231,755,842
Additional appropriation	(222,760,844)	75,431,458
Balance at end of year	₱84,426,456	₱307,187,300

17. Related Party Transactions

The table below summarizes the Company's transactions and outstanding balances with its related parties.

	Note	Transactions During the Year		Balance at End of Year		Nature	Conditions
		2025	2024	2025	2024		
Due From Related parties	7						
<i>Subsidiary -BFAI</i>		₱-	₱-	₱52,350,172	₱52,350,172	Advances for working capital purposes	Non-interest bearing, unsecured, payable in cash, fully impaired
Entity under common control		-	-	7,162,424	7,162,424	Advances for working capital purposes (Collection)	Non-interest bearing, unsecured, payable in cash, no impairment, Non-interest bearing, unsecured, no
Key management personnel		-	-	17,966,654	17,966,654	Advances to officers	impairment, payable in cash
Allowance for impairment loss		-	-	(52,350,172)	(52,350,172)		
				₱25,129,078	₱25,129,078		
Mortgage Loan Receivable	7						
Entity under common control		(₱19,852,941)	(₱19,852,941)	₱14,889,706	₱34,742,647	Mortgage loan (Payments)	5% interest, payable in 8 years, no impairment, payable in cash
Interest Income On:	6						
Mortgage loan receivable		₱1,035,575	₱3,151,707	₱181,532	₱619,693	Interest income	Due and demandable

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	2025	2024
Salaries and other employee benefits	₱39,617,136	₱31,551,120
Retirement expense	12,539,613	10,617,687
	₱52,156,749	₱42,168,807

18. Net Insurance Premiums

The gross premiums on insurance contracts consist of:

	2025	2024	2023
Direct:			
Group life insurance	₱1,065,606,412	₱1,496,096,222	₱1,771,752,064
Ordinary life insurance	276,118,262	285,552,641	301,947,682
Accident and health	8,415,383	11,959,351	12,266,988
	1,350,140,057	1,793,608,214	2,085,966,734
Assumed -			
Group life insurance	85,023,493	66,369,189	69,191,912
	₱1,435,163,550	₱1,859,977,403	₱2,155,158,646

The reinsurers' share of gross premiums on insurance contracts consists of:

	2025	2024	2023
Group life insurance	₱44,228,170	₱42,332,505	₱35,320,471
Ordinary life insurance	122,626	503,923	481,043
Accident and health	50,767	116,230	112,426
	₱44,401,563	₱42,952,658	₱35,913,940

19. Net Insurance Benefits and Claims

Net benefits and claims incurred on insurance contracts consist of (see Note 10):

	2025	2024	2023
Claims	₱534,763,082	₱1,087,210,114	₱1,137,601,991
Maturities and surrenders	168,441,314	181,789,518	237,397,061
Experience refunds	4,519,411	1,639,534	43,335,241
Gross benefits and claims	707,723,807	1,270,639,166	1,418,334,293
Reinsurers' share	(1,085,128)	902,158	(14,942,929)
	₱706,638,679	₱1,271,541,324	₱1,403,391,364

Net change in legal policy reserves consists of:

	2025		
	Gross Change in Legal Policy Reserves	Reinsurers' Share of Change in Legal Policy Reserves	Net (see Note 10)
Ordinary life insurance	₱297,569,633	₱—	₱297,569,633
Group life insurance	(104,005,230)	(3,100,238)	(107,105,468)
Accident and health	636,008	—	636,008
	₱194,200,411	(₱3,100,238)	₱191,100,173

	2024		
	Gross Change in Legal Policy Reserves	Reinsurers' Share of Change in Legal Policy Reserves	Net (see Note 10)
Ordinary life insurance	(P54,533,104)	P—	(P54,533,104)
Group life insurance	179,531,019	2,860,906	182,391,925
Accident and health	1,503,518	—	1,503,518
	P126,501,433	P2,860,906	P129,362,339

	2023		
	Gross Change in Legal Policy Reserves	Reinsurers' Share of Change in Legal Policy Reserves	Net (see Note 10)
Ordinary life insurance	(P30,517,936)	P—	(P30,517,936)
Group life insurance	166,190,702	5,424,926	171,615,628
Accident and health	772,542	—	772,542
	P136,445,308	P5,424,926	P141,870,234

20. General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Service fees		P198,722,083	P269,577,381	P278,934,444
Personnel costs		162,440,747	131,917,733	158,356,478
Agency expenses		80,536,128	84,962,570	59,869,983
Outside services		27,987,010	33,155,639	12,901,354
Depreciation	9	26,302,084	22,714,987	23,315,344
Professional fees		16,811,161	26,777,679	20,572,277
Conferences and meetings		13,621,225	10,634,980	6,144,269
Utilities		9,328,322	8,435,780	8,434,271
Taxes and licenses		8,385,188	7,242,001	6,479,484
Supplies		6,652,978	5,553,398	5,822,619
Repairs and maintenance		6,387,432	5,652,344	5,730,755
Association dues and fees		1,518,089	1,394,127	1,135,506
Insurance		1,169,408	1,352,671	1,150,140
Trainings and seminars		270,561	184,494	632,887
Transportation and travel		155,540	492,603	1,575,452
Others		48,705,760	36,909,829	17,965,287
		P608,993,716	P646,958,216	P609,020,550

Agency expenses include rent, utilities and other expenses incurred for branch and agency operations. Rent expense amounted to P9.2 million in 2025 and P9.8 million in 2024 and 2023 (see Note 24).

Personnel costs consist of:

	Note	2025	2024	2023
Salaries and wages		₱109,207,393	₱101,814,479	₱102,774,797
Retirement benefits cost	22	22,054,782	19,598,443	20,087,449
Other employee benefits		31,178,572	10,504,811	35,494,232
		₱162,440,747	₱131,917,733	158,356,478

Other employee benefits pertain to the Company's share in the statutory contributions of employees.

21. Commissions and Other Direct Expenses and Finance Costs and Charges

Commissions and Other Direct Expenses

This account consists of:

	2025	2024	2023
Commissions:			
Group	₱46,798,180	₱91,782,011	₱144,248,676
First year	35,141,032	32,778,564	36,637,515
Reinsurance	4,760,165	8,869,002	1,728,870
Renewal	2,612,010	1,285,904	2,057,396
Direct taxes	31,340,905	41,773,750	44,289,311
	₱120,652,292	₱176,489,231	₱228,961,768

Finance Costs and Charges

This account consists of:

	Note	2025	2024	2023
Interest expense on:				
Premium deposit fund	11	₱16,460,196	₱17,914,867	₱19,285,067
Loans payable	13	–	–	45,554
		16,460,196	17,914,867	19,330,621
Bank charges and other service fees		6,707,075	6,567,213	7,755,515
		₱23,167,271	₱24,482,080	₱27,086,136

Bank charges and other service fees represent warehousing fees on investments on treasury bonds and fees for other bank services.

22. Retirement Liability

The Company has a funded, non-contributory defined benefit plan providing retirement benefits for all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment. The latest actuarial report was made for the year ended December 31, 2025.

The components of retirement benefits cost recognized in the statements of comprehensive income are as follows (see Note 20):

	2025	2024	2023
Current service cost	₱14,590,291	₱13,304,814	₱12,644,611
Net interest expense	7,464,491	6,293,629	7,442,838
	₱22,054,782	₱19,598,443	₱20,087,449

The components of net retirement liability presented in the statements of financial position are as follows:

	2025	2024
Present value of defined benefit obligation	₱317,093,762	₱292,098,105
Fair value of plan assets	(181,905,122)	(161,705,179)
	₱135,188,640	₱130,392,926

Movements in the net retirement liability recognized in the statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱130,392,926	₱130,207,064
Current service cost	14,590,291	13,304,814
Net interest expense	7,464,491	6,293,629
Net remeasurement loss (gain)	(2,659,649)	4,336,615
Actual contributions	(10,000,000)	(10,000,000)
Benefits paid out of Company fund	(4,599,419)	(13,749,196)
Balance at end of year	₱135,188,640	₱130,392,926

Movements in the present value of defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	₱292,098,105	₱273,913,521
Current service cost	14,590,291	13,304,814
Interest cost	17,650,177	15,408,472
Remeasurement loss (gain) due to:		
Changes in financial assumptions	(321,183)	3,816,682
Experience adjustments	(2,324,209)	(596,188)
Benefits paid out of Company fund	(4,599,419)	(13,749,196)
Balance at end of year	₱317,093,762	₱292,098,105

Movements in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	₱161,705,179	₱143,706,457
Actual contributions	10,000,000	10,000,000
Interest income	10,185,686	9,114,843
Remeasurement gain (loss)	14,257	(1,116,121)
Balance at end of year	₱181,905,122	₱161,705,179

The Company expects to contribute ₱29.8 million to the retirement plan in the next reporting period.

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

	2025	2024
Government securities	86%	81%
Corporate bonds, trust funds and mutual funds	14%	19%

The plan exposes the Company to the following risks:

- Salary risk - any increase in the retirement plan participants' salary will increase the retirement plan's liability
- Longevity risk - any increase in the plan participants' life expectancy will increase the retirement plan's liability
- Investment risk - if the actual return on plan assets is below the discount rate used in calculating the present value of the retirement liability, a plan deficit will arise.
- Interest rate risk - a decrease in the bond interest rate will increase the present value of the retirement liability. However, partially counterbalanced by an increase in the return on the plan assets

The cumulative remeasurement loss (gain) on net retirement liability recognized in other comprehensive income is as follows:

	2025		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax (see Note 23)	Net
Balance at beginning of year	(₱5,910,247)	₱1,477,562	(₱4,432,685)
Remeasurement gain	2,659,649	(664,910)	1,994,739
Balance at end of year	(₱3,250,598)	₱812,652	(₱2,437,946)

	2024		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax (see Note 23)	Net
Balance at beginning of year	(₱1,573,632)	₱393,408	(₱1,180,224)
Remeasurement loss	(4,336,615)	1,084,154	(3,252,461)
Balance at end of year	(₱5,910,247)	₱1,477,562	(₱4,432,685)

	2023		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱4,009,935	(₱1,002,484)	₱3,007,451
Remeasurement loss	(5,583,567)	1,395,892	(4,187,675)
Balance at end of year	(₱1,573,632)	₱393,408	(₱1,180,224)

The principal assumptions used in determining net retirement liability are as follows:

	2025	2024
Discount rate	6.27%	6.11%
Salary increase rate	6.00%	6.00%

The sensitivity analysis of the retirement liability as at December 31, 2025 to changes in assumptions follows:

	Change in Variables	Increase (Decrease) in Present Value of Defined Benefit Obligation
Salary increase rate	+1.00%	₱15,710,591
	-1.00%	(14,160,099)
Discount rate	+1.00%	(13,709,553)
	-1.00%	15,492,576

The sensitivity analysis above has been determined based on a method that extrapolates the impact on retirement liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Period	Amount
Less than 1 year	12,825,423
1 year to less than 5 years	227,223,554
5 years to less than 10 years	93,139,568
10 years to less than 15 years	146,147,189
15 years to less than 20 years	117,293,566
20 years and above	185,696,059

The average duration of the expected benefit payments at the end of the reporting period is 7.43 years.

23. Income Tax

The current income tax expense represents MCIT in 2025 and 2024 and RCIT in 2023.

The components of net deferred tax liabilities presented in statements of financial position are as follows:

	2025	2024	2023
Deferred tax assets:			
Net retirement liability	₱33,797,163	₱32,598,232	₱32,551,766
Allowance for impairment on loans receivables*	39,817,381	32,317,381	6,894,428
Unrealized foreign exchange loss	—	—	4,168,775
NOLCO	—	26,380,196	—
Excess MCIT	—	2,703,503	—
	73,614,544	93,999,312	43,614,969
Deferred tax liabilities:			
Revaluation surplus on property and equipment	326,487,963	191,124,060	192,064,210
Accrued interest using effective interest rate	67,836,953	76,332,913	75,813,507
Unrealized foreign exchange gain	17,729,475	26,648,731	—
Others	2,415,371	2,415,371	2,415,371
	414,469,762	296,521,075	270,293,088
Net deferred tax liabilities	₱340,855,218	₱202,521,763	₱226,678,119

*Excluding allowance on due from related parties.

The components of net deferred tax liabilities presented in other comprehensive income are as follows:

	Note	2025	2024
Revaluation surplus	9	₱326,487,963	₱191,124,060
Cumulative remeasurement loss on net retirement liability	22	(812,652)	(1,477,562)
		₱325,675,311	₱189,646,498

The presentation of net deferred tax liabilities are as follows:

	2025	2024
Through profit or loss	₱15,179,907	₱12,875,265
Through other comprehensive income	325,675,311	189,646,498
	₱340,855,218	₱202,521,763

The reconciliation between the income tax expense at statutory income tax rate and provision for income tax presented in the statements of comprehensive income is as follows:

	2025	2024	2023
Income tax expense at statutory income tax rate	₱66,650,951	₱50,704,695	₱36,337,689
Tax effects of:			
Interest and dividend income subjected to lower tax rates	(13,104,476)	(14,086,085)	(9,610,717)
Nondeductible expenses	16,316,399	8,658,975	14,137,469
Income exempt from tax	(8,323,849)	(8,323,114)	(7,614,166)
Nontaxable income	(3,902,167)	(7,076,583)	(597,531)
Income tax at effective tax rate	₱57,636,858	₱29,877,888	₱32,652,744

24. Commitments and Contingencies

Company as a Lessor

As discussed in Note 8 to the financial statements, the BOD of BFAI approved a resolution approving the cessation of BFAI's business operations effective December 15, 2021, and shorten BFAI's term of existence until June 2023. In December 2021, all existing lease agreements with third parties were transferred to the Company. Accordingly, all rental payments will be received by the Company following the cessation of BFAI's business operations.

Rental income recognized amounted to ₱4.4 million, ₱4.3 million and ₱4.2 million in 2025, 2024 and 2023, respectively.

Future minimum rental receivables under the cancellable operating leases are as follows:

	2025	2024
Within one year	₱2,638,384	₱3,698,668
After one year but not more than five years	7,475,043	1,779,937
	₱10,113,427	₱5,478,605

Company as a Lessee

The Company has various lease agreements for its branches and agency offices. The lease periods vary from one (1) year to three (3) years with annual escalation of 5% to 10%. Rent expense included as part of "Agency expenses" in the "General and administrative expenses" account in the statements of comprehensive income amounted to ₱9.2 million in 2025 and ₱9.8 million in 2024 and 2023 (see Note 20). The Company assessed that these lease agreements qualify as leases of low value assets or short-term leases.

Future minimum lease payments under the cancellable operating leases as at December 31, 2025 and 2024 are as follows:

	2025	2024
Within one (1) year	₱6,613,625	₱8,390,101
After one (1) year but not more than five (5) years	2,154,317	1,670,899
	₱8,767,942	₱10,061,000

25. Capital Management and Regulatory Framework

Capital Management Framework

The primary objectives of the Company's capital management are to maintain a sound capital position, ensure compliance with regulatory capital requirements, adequately protect policyholders and optimize shareholder value. The Company maintains capital at levels higher than the minimum requirements prescribed by the Insurance Commission (IC), including the minimum net worth and Risk-Based Capital (RBC) requirements.

The Company assesses its capital adequacy annually using an internal capital measurement framework that considers regulatory capital requirements and the Company's exposure to risk. As at December 31, 2025 and 2024, the Company has complied with all externally imposed capital requirements. In the event that capital falls below the required minimum, management may implement appropriate capital management measures to restore compliance.

Regulatory Framework

The operations of the Company are subject to the regulatory requirements of the IC. Such regulations include prescribed minimum capitalization, net worth, solvency and RBC requirements intended to ensure that insurance companies maintain adequate capital to meet obligations to policyholders and other liabilities as they fall due.

Minimum Statutory Net Worth

Republic Act No. 10607, otherwise known as "The Insurance Code," prescribes the minimum net worth requirements for insurance companies. As clarified under IC Circular Letter (CL) No. 2015-02-A, the minimum net worth requirement must be maintained unimpaired for the continuation of an insurance company's license.

As at December 31, 2025 and 2024, the amount of required minimum statutory net worth is ₱1.3 billion.

Pursuant to Section 202 of The Insurance Code, the following assets are considered non-admitted assets as at December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	₱46,326,709	₱94,954,779
Short-term investments	—	29,041,017
Insurance receivables	—	3,144,315
Investment securities	34,116,491	1,434,636,891
Loans and receivables	539,553,304	501,686,458
Accrued investment income	463,165	17,841,753
Property and equipment:	1,279,322,891	746,125,418
Other assets	42,746,169	177,959,666
	₱1,942,528,729	₱3,005,390,297

As at December 31, 2025 and 2024, the Company's net worth and its excess over the requirement are as follows:

	2025	2024
Total assets	₱11,941,569,486	₱10,929,758,424
Total liabilities	6,621,394,859	6,426,384,832
Equity	5,320,174,627	4,503,373,592
Less: Non-admitted assets	1,942,528,729	3,005,390,297
Less: Non ledger liabilities	—	2,361,975
Net worth	3,377,645,898	1,495,621,320
Less: Net worth requirement	1,300,000,000	1,300,000,000
Excess over net worth requirement	₱2,077,645,898	₱195,621,320

As at December 31, 2025 and 2024, the Company is compliant with the minimum statutory net worth requirements of the IC. The final amount of the net worth as at December 31, 2025 can be determined only after the accounts of the Company have been examined by the IC in accordance with its rules and regulations on the admissibility of assets and liabilities.

RBC Requirements

The Insurance Code provides that the Commissioner may require insurance companies to adopt the RBC approach and other internationally accepted capital adequacy frameworks. In 2016, the IC issued CL No. 2016-68 regarding the Amended RBC framework to be known as "RBC2 Framework" which became effective on January 1, 2017.

Under the RBC2 Framework, every life insurance company is required to maintain a minimum RBC ratio of 100% and not fail the trend test prescribed by the IC. Failure to meet the required RBC ratio subjects the insurance company to the corresponding regulatory intervention.

The RBC ratio is calculated by dividing Total Available Capital (TAC) by the RBC requirement. TAC consists of Tier 1 and Tier 2 capital less applicable deductions, subject to limitations prescribed by the IC. RBC requirement considers risks relating to asset defaults, insurance pricing, interest rates and general business operations.

The following table shows the Company's internally computed RBC ratio as at December 31::

	2025	2024
Tier 1	₱3,619,853,573	₱3,200,702,474
Tier 2	1,700,321,054	1,302,671,118
Deductions	(1,855,556,706)	(2,741,969,076)
Total available capital	3,464,617,921	1,761,404,516
RBC requirement	1,288,652,893	1,398,936,466
RBC ratio	269%	126%

As at December 31, 2025 and 2024, the Company is compliant with the RBC ratio requirements of the IC. The final amount of the RBC ratio as at December 31, 2025 can be determined only after the accounts of the Company have been examined by the IC in accordance with its rules and regulations on the admissibility of assets and liabilities.

26. Risk Management Objectives and Policies

Insurance Risk

Insurance risk pertains to the uncertainty of the occurrence, amount and timing of insurance claims and benefit payments. The principal risk faced by the Company under insurance contracts is that actual claims and benefit payments may exceed the carrying amount of insurance liabilities. This risk is influenced by the frequency and severity of claims, actual benefits paid compared with original estimates, and subsequent development of long-term claims.

Terms and Conditions

The Company principally issues life insurance contracts where the policyholder is insured against death, illness, injury or permanent disability, generally for a pre-determined amount. The Company's products mainly include whole life, term insurance, endowment, accident and health, and group life products.

The risks associated with these products are considered underwriting risks, which arise from actual policy experience differing from assumptions used in product pricing.

Underwriting risks include:

- Mortality risk - risk of loss arising from policyholder death experience differing from expectations;
- Morbidity risk - risk of loss arising from policyholder health experience differing from expectations;
- Expense risk - risk of loss arising from actual expenses differing from expectations;
- Investment return risk - risk of loss arising from actual investment returns differing from expectations; and
- Policyholder decision risk - risk of loss arising from policyholder behavior such as lapses and surrenders differing from expectations.

The Company generally limits its maximum underwriting exposure on the life insurance coverage of a single individual to ₱3,000,000 through the use of yearly renewable term reinsurance. The Company exercises due diligence in selecting domestic and foreign reinsurers with strong financial standing and established track records. While reinsurance arrangements do not relieve the Company of its direct obligations to policyholders, an effective reinsurance program substantially limits exposure to potentially significant losses.

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

	2025		2024	
	Number of Policies	Coverage	Number of Policies	Coverage
Whole life	85,535	₱10,712,901,314	83,463	₱10,748,305,916
Endowment	2,659	323,611,572	3,440	445,022,753
Term	10,278	1,393,875,737	9,985	1,354,267,841
Accident and health	10,120	1,081,931,803	9,641	3,369,753,222
Group life	527	228,457,659,937	877	1,062,853,884,624
	109,119	₱241,969,980,363	107,406	₱1,078,771,234,356

The table below sets out the concentration of legal policy reserves by type of contract (see Note 10):

	2025	2024
Ordinary life	₱2,107,271,545	₱1,800,250,323
Group life	1,269,739,550	1,399,867,675
Accident and health	64,691,237	40,047,659
	₱3,441,702,332	₱3,240,165,657

Key Assumptions

Material judgment and estimates are required in determining insurance liabilities and the related assumptions. Assumptions are based on past experience, current internal data, market conditions and other published information. These assumptions are continuously reviewed and updated to ensure that the resulting liabilities remain adequate and reasonable. Assumptions are likewise subject to the provisions of The Insurance Code and guidelines prescribed by the Insurance Commission (IC).

At each reporting date, the Company performs liability adequacy testing to determine whether recognized insurance liabilities remain adequate based on current estimates. If the liabilities are assessed to be inadequate, the assumptions are updated to reflect current expectations.

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

Mortality and Morbidity Rates. Assumptions are based on standard industry and national mortality and morbidity tables adjusted where appropriate to reflect the Company's experiences. Assumptions vary by sex, underwriting classification and type of contract.

For life insurance policies, increases in mortality and morbidity rates would generally result in higher claims and insurance liabilities and lower profits.

Discount Rates. Life insurance liabilities are determined based on the discounted value of expected future benefits less the discounted value of expected future theoretical premiums. Discount rates are derived from the expected long-term investment returns of the assets supporting the insurance liabilities and current market conditions.

A decrease in discount rates generally increases insurance liabilities and reduces profits.

Investment Return. Investment return assumptions are based on expected long-term market returns and future economic and financial conditions consistent with the Company's long-term investment strategy.

An increase in investment returns would generally increase profits.

Lapse and Surrender Rates. Lapse assumptions relate to policy terminations arising from non-payment of premiums, while surrender assumptions relate to voluntary policy terminations by policyholders. These assumptions are based on statistical analyses of the Company's experience and vary depending on product type, policy duration and sales trends.

Increases in lapse rates during the early years of policies generally reduce profits, while increases occurring in later years generally have limited impact. *Expenses.* Expense assumptions reflect the expected costs of maintaining and servicing in-force policies, including related overhead costs. These assumptions are based on current expense levels adjusted for expected inflation, where appropriate.

An increase in expenses would generally increase insurance liabilities and reduce profits.

The assumptions that have the greatest effect on the statements of financial position and statements of comprehensive income are listed below.

	Mortality and Morbidity Rates		Discount Rates	
	2025	2024	2025	2024
	2017 PICM, 1959 ADB, and 1952 Disability Based on Experience	2017 PICM, 1959 ADB, and 1952 Disability Based on Experience	5.31% to 6.76% Based on Experience	6.14% to 6.68% Based on Experience
Ordinary life				
Group life				

Sensitivity Analysis

The analysis below is performed for reasonably possible changes in key assumptions, with all other assumptions held constant, on liabilities, income before tax and equity. The correlation of assumptions may significantly affect the ultimate liabilities. Sensitivity analysis has been performed based on the r margin for adverse deviation prescribed by the IC.

The effects of changes in assumptions follow:

Change in Assumptions	2025		
	Increase (Decrease) in Liabilities	Increase (Decrease) in Income Before Tax	Increase (Decrease) in Equity
+10%	(P93,543,025)	P93,543,025	P68,735,491
-10%	126,661,561	(126,661,561)	(103,156,284)

Change in Assumptions	2024		
	Increase (Decrease) in Liabilities	Increase (Decrease) in Income Before Tax	Increase (Decrease) in Equity
+10%	(P63,868,157)	P63,868,157	(P24,900,135)
-10%	96,112,661	(96,112,661)	(252,261,896)

Financial Risk

The Company is exposed to financial risks arising from its financial instruments, including credit risk, liquidity risk and market risk. The Company's objective is to achieve an appropriate balance between risk and return while minimizing potential adverse effects on financial performance.

The Company's risk management policies are designed to identify, assess and manage financial risks through the establishment of risk limits, controls and monitoring procedures. These policies are regularly reviewed to reflect changes in market conditions, products and emerging practices.

The BOD is responsible for oversight of market, credit and liquidity risks, while Internal Audit independently reviews the effectiveness of risk management processes and controls.

Fair Values of Financial Instruments

The following table sets forth the carrying amount and estimated fair value of financial assets and liabilities recognized as at December 31, 2025 and 2024:

	2025		2024	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial Assets				
Cash and cash equivalents	₱654,688,941	₱654,688,941	₱1,016,950,638	₱1,016,950,638
Short-term investments	1,161,886	1,161,886	11,735,929	11,735,929
Insurance receivables	132,896,199	132,896,199	18,322,407	18,322,407
Investment securities	8,481,283,518	8,401,385,428	7,605,760,657	7,563,055,517
Loans receivables	1,035,802,495	1,035,983,046	1,153,154,367	1,156,531,644
Accrued investment income	108,178,714	108,178,714	98,538,765	98,538,765
	₱10,414,011,753	₱10,334,294,214	₱9,904,462,763	₱9,865,134,900
	2025		2024	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial Liabilities				
Insurance contract liabilities	₱5,406,927,140	₱5,406,927,140	₱5,393,179,727	₱5,393,179,727
Premium deposit fund	289,849,708	289,849,708	299,280,463	299,280,463
Insurance payables	8,013,841	8,013,841	76,040	76,040
Accounts payable and accrued expenses*	119,642,956	119,642,956	123,160,541	123,160,541
Other liabilities	341,766,963	341,766,963	300,528,903	300,528,903
	₱6,166,200,608	₱6,166,200,608	₱6,116,225,674	₱6,116,225,674

*Excluding statutory payables amounting to ₱11.62 million and ₱13.2 million as at December 31, 2025 and 2024, respectively.

Due to the short-term nature of cash and cash equivalents, short-term investments, insurance receivables, accrued investment income, insurance contract liabilities, policyholders' dividends payable, premium deposit fund, insurance payables, accounts payable and accrued expenses and other liabilities, their carrying amounts approximate their fair values at reporting date.

The fair values of financial assets at FVPL and financial assets at FVOCI that are actively traded in organized financial markets are determined by reference to quoted market prices at reporting date. These financial assets are classified under level 1 of the fair value hierarchy.

The fair value of the loans receivables is estimated using the discounted cash flow technique using market interest rates applicable to financial instruments with similar credit quality and maturity characteristics. These financial assets are classified under level 2 of the fair value hierarchy.

There were no transfers between levels of fair value hierarchy in 2025 and 2024.

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 credit risk through a comprehensive established credit policies, exposure limits, monitoring procedures and regular evaluation of counterparties. The Company also evaluates the financial condition and creditworthiness of counterparties and monitors compliance with established risk limits.

Although the Company has reinsurance arrangements, it remains directly liable to policyholders. Accordingly, credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer may fail to meet obligations assumed under the reinsurance agreements. The Company transacts only with reinsurers that have strong financial standing and satisfactory track records.

Credit risks associated with fixed income investments are managed through regular monitoring of exposures against limits approved by regulators and the BOD. External credit ratings from recognized rating agencies are considered in evaluating investment quality and credit exposures.

The table below shows the maximum exposure to credit risk of the Company's financial instruments before considering collateral and other credit enhancements:

	2025	2024
Cash in banks and cash equivalents	₱654,688,941	₱1,016,897,638
Short-term investments	1,161,886	11,735,929
Insurance receivables	132,896,199	18,322,407
Investment securities	8,401,385,428	7,563,055,517
Loans receivables	1,035,983,046	1,156,531,644
Accrued investment income	108,178,714	98,538,765
	₱10,334,294,214	₱9,865,081,900

The carrying amount of the financial assets represents the gross maximum exposure to credit risk at reporting date, except for policy loans and mortgage and collateral loans. The financial effect of collateral and other credit enhancements amounted to ₱503.7 million and ₱503.6 million in 2025 and 2024, respectively. The Company holds cash surrender values of insurance policies and Transfer Certificates of Title (TCT) over real properties as collaterals. The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The Company classifies financial assets based on collection experience and credit quality as follows:

- High Grade - financial assets that are neither past due nor impaired and are generally collectible in accordance with contractual terms with minimal collection effort. These include cash in banks and cash equivalents, short-term investments and investment securities.
- Standard Grade - financial assets that are neither past due nor impaired but require periodic follow-up collection efforts. These include insurance receivables, loans receivable and accrued investment income.

The following table summarizes the impairment analysis of the Company's financial assets as at December 31, 2025 and 2024.

2025				
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks and cash equivalents	₱654,688,941	₱–	₱–	₱654,688,941
Short-term investments	1,161,886	–	–	1,161,886
Insurance receivables	132,896,199	–	–	132,896,199
Investment securities	8,401,385,428	–	–	8,401,385,428
Loans receivables	1,074,825,817	–	172,776,926	1,247,602,743
Accrued investment income	108,178,714	–	–	108,178,714
	₱10,373,136,985	₱–	₱172,776,926	₱10,545,913,911

2024				
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks and cash equivalents	₱1,016,897,638	₱–	₱–	₱1,016,897,638
Short-term investments	11,735,929	–	–	11,735,929
Insurance receivables	18,322,407	–	–	18,322,407
Investment securities	7,563,055,517	–	–	7,563,055,517
Loans receivables	1,194,756,610	–	143,394,731	1,338,151,341
Accrued investment income	98,538,765	–	–	98,538,765
	₱9,903,306,866	₱–	₱143,394,731	₱10,046,701,597

Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Company's primary source of liquidity consists of premium collections and investment income. These funds are primarily used to pay policy benefits, claims, commission, operating expenses, taxes and shareholder dividends.

The Company maintains a conservative liquidity position through active monitoring of cash flows, asset-liability matching, investment diversification and maintenance of sufficient liquid assets to meet funding requirements. The Company maintains a conservative liquidity position.

Based on historical cash flows and current projections, management believes that the cash flow from operations and investments will continue to provide sufficient liquidity to meet future obligations.

The table below summarizes the financial liabilities of the Company which are due within one year based on remaining contractual undiscounted cash flows as at December 31, 2025 and 2024:

	2025	2024
Insurance contract liabilities	₱2,638,424,417	₱3,476,174,819
Premium deposit fund	289,849,708	299,280,463
Insurance payables	8,013,841	76,040
Accounts payable and accrued expenses*	119,642,956	123,160,541
Other liabilities	125,658,052	300,528,903
	₱3,181,588,974	₱4,199,220,766

*Excluding statutory payables amounting to ₱11.62 million and ₱13.2 million as at December 31, 2025 and 2024, respectively.

The portion of insurance contract liabilities which are due beyond one year amounted to ₱2,768.50 million and ₱1,917.00 million as at December 31, 2025 and 2024, respectively.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates, market interest rates and equity prices. The Company manages market risk through regular monitoring of exposures against established risk tolerance levels and by maintaining an appropriate mix of investments to support insurance liabilities and funding requirements.

Foreign Currency Risk

Foreign currency risk arises from financial assets and liabilities denominated in foreign currencies, primarily involving investments in foreign currency-denominated debt and equity securities and transactions with foreign reinsurers.

The Company's foreign currency exposures mainly involve United States Dollar (USD), Singapore Dollar (SGD), Euro (EUR), Australian Dollar (AUD), Hong Kong Dollar (HKD), Great Britain Pound (GBP) and Japanese Yen (JPY).

The table below summarizes the Company's exposure to foreign currency risk:

	2025							Total(PHP)
	USD	SGD	EUR	AUD	HKD	GBP	JPY	
Financial Assets								
Cash and cash equivalents	\$241,857	SGD920	EUR6,113	AUD128,460	HKD 446	£35,735	¥73,540,000	₱50,205,960
Accrued investment income	808,888	—	35,031	36,615	—	781	—	51,484,518
Investment securities	55,258,662	376,250	1,985,713	3,724,755	—	254,913	—	3,570,346,059
Loans and receivables	4,103	—	—	—	—	—	—	241,230
	\$56,313,510	SGD377,170	EUR 2,026,857	AUD 3,889,830	HKD 446	£291,429	¥73,540,000	₱3,672,277,767
Financial Liabilities								
Accounts payable and accrued expenses	\$12,625	SGD—	EUR—	AUD—	HKD—	£—	¥—	₱742,226
Insurance contract liabilities	818,261	—	—	—	—	—	—	48,105,533
Premium deposit fund	1,931	—	—	—	—	—	—	113,499
Other current liabilities	13,576	—	—	—	—	—	—	55,932
	\$846,393	SGD—	EUR—	AUD—	HKD—	£—	¥—	₱49,017,190

	2024							Total(PHP)
	USD	SGD	EUR	AUD	HKD	GBP	JPY	
Financial Assets								
Cash and cash equivalents	\$2,089,993	SGD1,529	EUR91,829	AUD13,728	HKD446	£30,807	—	₱129,251,965
Accrued investment income	849,822	—	951	23,559	—	391	—	50,093,972
Investment securities	52,252,459	411,094	276,693	3,040,012	—	122,490	—	3,175,427,003
Loans and receivables	3,543	—	—	—	—	—	—	204,952
	\$55,195,817	SGD412,623	EUR369,473	AUD3,077,299	HKD446	£153,688	—	₱3,354,977,892
Financial Liabilities								
Accounts payable and accrued expenses	\$10,872	SGD—	EUR—	AUD—	HKD—	£—	—	₱628,883
Insurance contract liabilities	813,016	—	—	—	—	—	—	47,028,899
Premium deposit fund	1,931	—	—	—	—	—	—	111,675
Other current liabilities	951	—	—	—	—	—	—	55,033
	\$826,770	SGD—	EUR—	AUD—	HKD—	£—	—	₱47,824,490

For purposes of restating foreign currency-denominated financial assets and liabilities, the following exchange rates were applied:

	2025	2024
USD	₱58.79	₱57.85
SGD	45.82	42.69
EUR	69.25	60.47
AUD	39.38	36.08
HKD	7.57	7.47
GBP	79.41	72.68
JPY	0.38	—

The following table demonstrates the sensitivity to reasonably possible changes in foreign exchange rates, with all other variables held constant, on income before tax and equity:

	2025			2024		
	Increase/ Decrease in Exchange Rate	Effect on Income before Tax	Effect on Equity	Increase/ Decrease in Exchange Rate	Effect on Income before Tax	Effect on Equity
USD	4.91% (4.91%)	₱159,550,934 (159,550,934)	₱131,351,300 (131,351,300)	4.64% (4.64%)	₱142,133,983 (142,133,983)	₱118,004,948 (118,004,948)
SGD	5.29% (5.29%)	— —	869,001 (869,001)	4.30% (4.30%)	653,322 (653,322)	489,992 (489,992)
EUR	4.66% (4.66%)	7,113,704 (7,113,704)	5,335,278 (5,335,278)	3.09% (3.09%)	616,147 (616,147)	462,110 (462,110)
AUD	1.89% (1.89%)	1,965,061 (1,965,061)	2,592,112 (2,592,112)	1.86% (1.86%)	1,259,011 (1,259,011)	1,952,046 (1,952,046)
HKD	5.12% (5.12%)	— —	— —	4.74% (4.74%)	— —	— —
GBP	5.35% (5.35%)	1,222,855 (1,222,855)	944,987 (944,987)	3.34% (3.34%)	307,210 (307,210)	294,021 (294,021)
JPY	6.37% (6.37%)	— —	— —	— —	— —	— —

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows or fair values of financial instruments will fluctuate because of changes in market interest rates.

The Company manages interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments and by matching the durations of assets and liabilities, where practicable.

The following tables show the Company's financial instruments that are exposed to fair value interest rate risk by maturity profile.

	2025			
	Up to 1 year	1-3 years	3-5 years	Over 5 years
Financial assets at FVOCI	₱215,658,596	₱224,178,992	₱257,023,755	₱1,856,804,186
Financial assets at FVPL	48,482,349	24,010,302	118,292,987	666,623,408

	2024			
	Up to 1 year	1-3 years	3-5 years	Over 5 years
Financial assets at FVOCI	₱141,908,551	₱148,889,404	₱381,988,264	₱1,465,202,839
Financial assets at FVPL	13,942,380	142,250,875	139,939,897	594,203,384

The following table below presents the impact on income before tax and equity due to a reasonable possible change in the interest rate for the year ended December 31, 2025 and 2024:

	2025		
	Change in Variable	Impact on Income Before Tax	Impact on Equity
USD	5.3288%	₱5,505,599	₱31,644,665
	(5.3288%)	(5,505,599)	(31,644,665)
AUD	5.0484%	1,170,745	2,376,019
	(5.0484%)	(1,170,745)	(2,376,019)
	2024		
	Change in Variable	Impact on Income Before Tax	Impact on Equity
USD	5.2899%	₱7,399,405	₱34,766,154
	(5.2899%)	(7,399,405)	(34,766,154)
AUD	4.9578%	60,596	174,553
	(4.9578%)	(60,596)	(174,553)

The effect on equity relates to changes in the market value of investment securities classified as financial assets at FVOCI, while the effect on income before tax relates to changes in the market value of investment securities classified as financial assets at FVPL.

The reasonably possible changes in interest rates were determined based on historical movements in weighted average yield rates of outstanding securities for the past five years.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in market prices of listed equity securities and market indices.

The Company's exposure to equity price risk relates to equity securities classified as financial assets at FVPL and FVOCI. The table below shows impact of reasonably possible change of PSEi and other foreign market indices on income before income before tax and equity as at December 31, 2025, and 2024:

	2025		
	Change in Stock Index	Impact on Income Before Tax	Impact on Equity
Market Indices			
PSEi	4.47%	₱7,399,405	₱34,766,154
	(4.47%)	(7,399,405)	(34,766,154)
Standard and Poor's Index (SPX)	12.04%	60,596	174,553
	(12.04%)	(60,596)	(174,553)
	2024		
	Change in Stock Index	Impact on Income Before Tax	Impact on Equity
Market Indices			
PSEi	8.04%	₱—	₱1,420,156
	(8.04%)	—	(1,420,156)
Standard and Poor's Index (SPX)	10.01%	—	305,657
	(10.01%)	—	(305,657)

The effect on equity relates to changes in the market value of investment securities classified as financial assets at FVOCI, while the effect on income before tax relates to changes in the market value of investment securities classified as financial assets at FVPL.

The impact on equity was determined using reasonably possible changes in the relevant market indices over the past five years and the adjusted beta of each security held by the Company.

27. Classification of Statements of Financial Position Accounts

The current portions of the Company's assets and liabilities as at December 31, 2025 and 2024 are as follows:

	2025	2024
Current assets:		
Cash and cash equivalents	₱654,688,941	₱1,016,950,638
Short-term investments	1,161,886	11,735,929
Insurance receivables	132,896,199	18,322,407
Investment securities	1,541,144,045	1,796,025,900
Loans receivables	783,340,937	868,201,877
Accrued investment income	108,178,714	98,538,765
Other current assets	5,730,401	3,061,578
	₱3,227,141,123	₱3,812,837,094
Current liabilities:		
Insurance contract liabilities	₱2,638,424,417	₱2,725,127,860
Premium deposit fund	289,849,708	299,280,463
Insurance payables	8,013,841	76,040
Accounts payable and accrued expenses	131,264,343	136,390,102
Other liabilities	125,658,052	129,747,043
	₱3,193,210,361	₱3,290,621,508

28. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Revenue Regulations (RR) No. 15-2010

The information for 2025 required by the above regulation is presented below.

Value-added Tax (VAT)

The National Internal Revenue Code of 1997 provides for the imposition of VAT on sales of goods and services. The Company is exempt from VAT being engaged in the business of life insurance.

The Company, however, as a domestic corporation doing life insurance business, is a non-VAT registered company under Section 4.109-1 (B)(e)(6) of RR No. 16-05 or otherwise known as the Consolidated VAT Regulations of 2005. Sales or receipts of life insurance premiums are subject to 2% percentage tax called premium tax under Section 123 of the Tax Code, as amended.

In 2025, the Company paid premium tax amounting to ₱16.4 million presented under “Insurance taxes” account in the statement of comprehensive income.

Revenue Memorandum Circular (RMC) No. 30-08, as amended by RMC 59-08, 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 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. The Company has no income from other sources in 2021 that is subject to VAT.

Documentary Stamp Tax (DST)

Pursuant to Republic Act 9243 and Republic Act 10001, the Company is reporting the payment of DST on life insurance policies. In 2025, the Company paid DST amounting to ₱51,100 related to life insurance policies. This amount is presented under “Insurance taxes” account in the statement of comprehensive income.

All Other Local and National Taxes

The Company’s local and national taxes for the year ended December 31, 2025 consist of:

Local	
License and permits	₱6,918,152
Real property tax	746,575
Community tax certificate	12,906
	<u>7,677,633</u>
National	
BIR annual registration	1,130
IC Filing fees and certification fees	560,900
Land transportation office registration fees	115,468
SEC Filing fees	25,027
Others	5,030
	<u>707,555</u>
	<u><u>₱8,385,188</u></u>

The above local and national taxes are presented as taxes and licenses under “General and administrative expenses” account in the statement of comprehensive income.

Withholding Taxes

Withholding taxes paid and/or withheld by the Company for the year ended December 31, 2025 are as follows:

	Paid	Accrued	Total
Expanded withholding tax	₱38,881,004	₱3,052,744	₱41,933,748
Final withholding tax	4,317,916	338,941	4,656,857
Withholding tax on compensation	12,169,520	1,423,533	13,593,053
	<u>₱55,368,440</u>	<u>₱4,815,218</u>	<u>₱60,183,658</u>

Tax Assessments

The Company has no pending tax assessment from the BIR as at December 31, 2025.

Tax Cases

The Company has no pending tax case in courts or other regulatory bodies outside the administration of BIR as at December 31, 2025.



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and Board of Directors
Beneficial Life Insurance Company, Inc.
Beneficial Life Building
166 Salcedo St.
Legaspi Village, Makati City

We have audited in accordance with the Philippine Standards on Auditing, the financial statements of the Beneficial Life Insurance Company, Inc. (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedules for the submission to the Securities and Exchange Commission are the responsibility of the Group's management. These supplementary schedules include the following:

- Reconciliation of the Retained Earnings Available for Dividend Declaration of the Company
- Schedules required by Part II of Revised Securities Regulation Code (SRC) Rule 68

These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

IC Accreditation IC-EA-2024-0018-R

Valid for Financial Periods 2024 to 2026

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026
Makati City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

BENEFICIAL LIFE INSURANCE COMPANY, INC.

Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City, Philippines

	Amount
Unappropriated retained earnings, beginning of reporting period	₱1,734,471,469
Add: CATEGORY A: Items that are directly credited to unappropriated RE	
Reversal of Retained Earnings Appropriation	222,760,844
Effect of restatements or prior-period adjustments	-
Others	-
Less: CATEGORY B: Items that are directly debited to Unappropriated RE	
Dividend declaration during the reporting period	-
Retained Earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others	-
Unappropriated retained earnings, as adjusted	1,957,232,313
Add: Net income for current year	208,966,947
Less: Category C.1: Unrealized income recognized in P&L during the reporting period (net of tax)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(53,188,422)
Unrealized fair value adjustment (mark-to-market gains) of financial assets through PL (FVPTL)	(3,834,373)
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized fair value gain of Investment Property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Add: Category C.2: Unrealized income recognized in profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized forex gain, except those attributable to cash and cash equivalents	79,946,193
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through P&L (FVPTL)	9,761,409
Realized fair value gain of Investment Property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-

(Forward)

	Amount
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Reversal of previously recorded fair value gain of Investment Property	–
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–
Adjusted net income	241,651,754
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	3,772,602
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	–
Total amount of reporting relief granted during the year	–
Others	–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	4,168,483
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	(1,863,841)
Net movement of treasury shares (except for reacquisition of redeemable shares)	–
Adjustment due to deviation from PFRS/GAAP – gain (loss)	–
Others	–
Total retained earnings, end of the reporting period available for dividend	₱2,204,961,311

Under Section 194 of the Republic Act No. 10607 known as “The Insurance Code”, new domestic life or non-life insurance companies, organized as a stock corporation, shall have a paid-up capital of ₱1.0 billion. On the other hand, existing insurance companies shall comply with the net worth requirement of ₱1.3 billion on a staggered basis starting June 13, 2013 up to December 31, 2023. The minimum paid-up capital and net worth requirement must remain unimpaired for the continuance of the license.

BENEFICIAL LIFE INSURANCE COMPANY, INC.

**SEC SUPPLEMENTARY SCHEDULE AS REQUIRED BY PART II OF THE
REVISED SECURITIES REGULATION CODE RULE 68
DECEMBER 31, 2025**

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**Indebtedness to related parties are presented as current liability as at December 31, 2025.*

BENEFICIAL LIFE INSURANCE COMPANY, INC.

A. FINANCIAL ASSETS

DECEMBER 31, 2025

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)				
Corporate Bonds (Foreign)				
PROMIGAS SA ESP PMGX 3.75%	200,000	P11,096,613	P11,096,613	P456,165
CENTRAL CHINA REAL ESTATE GROUP CHINA CO LTD CNTCN 7.25%	200,000	352,740	352,740	—
MINERVA LUXEMBOURG SA BEEFC 4.375	200,000	10,920,242	10,920,242	547,066
MINERVA LUXEMBOURG SA BEEFC 4.375	200,000	10,920,242	10,920,242	709,558
BRF SA BRFSC 4.875 01/24/30	200,000	11,419,957	11,419,957	564,073
Myriad International Holdings BV 4.85% face \$200K	200,000	11,833,016	11,833,016	282,165
AGROSUPER SA PDOLI 4.6	200,000	11,284,740	11,284,740	534,197
COMISION FEDERAL DE ELECTRICIDAD CEFMX 3.348	200,000	10,643,929	10,643,929	463,982
SASOL FINANCING USA LLC 5.50 03/18/31	200,000	9,862,023	9,862,023	913,326
GLOBE TELECOM 4.20 PERP FRN	200,000	11,673,225	11,673,225	498,936
GLOPM 4.2 PERP	200,000	11,673,225	11,673,225	479,613
4.20% Globe Telecom Inc	200,000	11,673,225	11,673,225	486,322
4.20% GLOBE TELECOM INC.	200,000	11,673,225	11,673,225	491,946
4% NOTES SOFTBANK GROUP CORP.	200,000	11,652,178	11,652,178	491,213
4% NOTES SOFTBANK GROUP CORP.	200,000	11,652,178	11,652,178	758,736
STANDARD CHARTERED PLC 6.301 01/09/29	200,000	12,206,097	12,206,097	689,702
BONDS ROYAL CAPITAL BV 2020-W/O FIXED MAT GUARANTEED FIXED/FLOATING RATE	200,000	11,728,605	11,728,605	575,857
PETRON CORP PCOR 7.35 PERP FRN	200,000	12,096,043	12,096,043	225,700
FREEPORT INDONESIA PT FCX 5.315 04/14/32	200,000	11,934,370	11,934,370	658,697
JOLLIBEE WORLDWIDE PTE LTD JFC 4.125 01/24/26	200,000	11,699,210	11,699,210	605,598
JOLLIBEE WORLDWIDE PTE LTD 4.75 06/24/30	300,000	17,699,788	17,699,788	876,975

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
GACI FIRST INVESTMENT CO 5.25 01/29/34	200,000	12,037,253	12,037,253	612,862
GACI FIRST INVESTMENT CO GACIF 5.625 06/11/39	125,000	9,710,986	9,710,986	543,031
GACI FIRST INVESTMENT CO GACIF 5.625 06/11/39	125,000	9,710,986	9,710,986	421,589
SMIC SG HOLDINGS PTE LTD 5.375 07/24/29	300,000	18,077,925	18,077,925	935,935
BP CAPITAL MARKETS PLC 5.439 08/28/34	450,000	17,386,469	17,386,469	898,193
RAKUTEN GROUP INC 5.125 PERP	300,000	17,513,541	17,513,541	897,834
NESTLE CAPITAL CORP NESN 5.25 04/04/34	330,000	12,972,958	12,972,958	608,670
JOLLIBEE WORLDWIDE PTE LTD 5.332 04/02/2030	200,000	12,022,555	12,022,555	413,967
NESTLE CAPITAL CORP NESN 5.25 03/13/35 '34 MTN	300,000	11,732,163	11,732,163	442,784
REPUBLIC OF INDONESIA 4.125% 01/15/2037	250,000	17,356,934	17,356,934	478,879
MTR CORPORATION CI LTD 5.625 PERP	250,000	15,469,119	15,469,119	310,015
MEIJI YASUDA LIFE INSURANCE CO 6.10% 06/11/55 FRN	200,000	12,169,530	12,169,530	226,136
AC ENERGY FINANCE INTL LTD 5.10 PERP MTN	200,000	9,806,172	9,806,172	190,793
AC ENERGY FINANCE INTL LTD 5.10 PERP MTN	200,000	9,806,172	9,806,172	190,969
4.85% NOTES REPUBLIC OF INDONESIA	200,000	11,893,217	11,893,217	581,939
NOTES CNP ASSURANCES 2021 W/O FIXED MAT, FR	200,000	10,999,609	10,999,609	555,634
NOTES CNP ASSURANCES 2021 W/O FIXED MAT, FR	200,000	10,999,609	10,999,609	552,283
WESTPAC BANKING CORP/NEW ZEALAND VRNECLEAR PERPETUAL DTD 9/21/2017	200,000	11,791,510	11,791,510	571,718
WESTPAC BANKING CORP/NEW ZEALAND VRN CLEAR PERP	200,000	11,791,510	11,791,510	568,349
EFG INTL AGVRN ECLEAR PERP 25JAN2021	200,000	11,534,010	11,534,010	622,094
ASAHI MUTUAL LIFE INSURANCE CO VRN	200,000	11,233,005	11,233,005	466,488
ASAHI MUTUAL LIFE INSURANCE CO VRN PERP	200,000	11,233,005	11,233,005	471,764
8% NOTES COUNTRY GARDEN HOLDINGS CO	200,000	1,102,313	1,102,313	—
7.5% NOTES CENTRAL CHINA REAL ESTATE LTD	200,000	323,345	323,345	—
AGILE GROUP HOLDINGS LTD VRN PERP	200,000	283,838	283,838	—
AGILE GROUP HOLDINGS LTD VRN PERP	200,000	283,838	283,838	—
BANCO BILBAO VIZCAYA ARGENTARIA VRN PERP	200,000	11,865,586	11,865,586	704,436
BANCO BILBAO VIZCAYA ARGENTARIA VRN PERP	200,000	11,865,586	11,865,586	704,474
4.375% Notes Sasol Financing USA	200,000	11,700,386	11,700,386	534,258

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
5.45% Notes Cemex SAB de CV	200,000	11,910,854	11,910,854	566,809
5.125% CEMEX SAB DE CV 2021	200,000	11,748,358	11,748,358	595,541
4.763% NOTES PT FREEPORT INDONESIA	200,000	11,794,450	11,794,450	603,662
6.50% NOTES EASY TACTIC LTD (7.50% pay in kind)	230,110	453,667	453,667	—
4.85% AYC FINANCE LTD	200,000	9,505,755	9,505,755	559,665
4.85% AYC FINANCE LTD 2019	300,000	14,258,633	14,258,633	337,344
2.10% AIRPORT AUTHORITY 2020 W/O FIXED MATURITY	200,000	11,681,573	11,681,573	266,006
5.10% REPUBLIC OF INDONESIA	300,000	17,107,008	17,107,008	891,579
5.375% NOTES GACI FIRST INVESTMENT 2024-29.01.2054	300,000	16,233,977	16,233,977	952,914
5.25% NOTES GACI FIRST INVESTMENT 2024-29.01.2034	200,000	12,073,702	12,073,702	646,182
5.25% NOTES NESTLE CAPITAL CORP	350,000	13,766,297	13,766,297	606,622
5.34% PETRONAS CAPITAL LTD 2025-03.04.2035	300,000	18,416,203	18,416,203	691,509
REPUBLIC OF INDONESIA 4.125% 01/15/2037	300,000	20,844,942	20,844,942	566,901
2.25% MEDIUM TERM NOTES TEMASEK FINANCIAL 2020-06.04.2051	300,000	10,872,329	10,872,329	216,790
2.75% BANQUE OUEST AFRICAINE DE DELOPMENT 2021-22.01.2033	200,000	11,750,428	11,750,428	219,785
6.10% NOTES MEIJI YASUDA LIFE INSURANCE CO 2025-11.06.2055	250,000	15,281,285	15,281,285	285,389
5.125% GACI FIRST INVESTMENT 2023-14.02.2053	300,000	15,699,576	15,699,576	182,854
5.938 EURO MEDIUM TERM NOTES SNB SUKUK LTD 2025-18.07.2036	300,000	18,054,115	18,054,115	202,755
5.711% NOTES UBS GROUP AG	200,000	11,762,185	11,762,185	630,583
5.354% NOTES MITSUBISHI FINANCIAL GROUP	200,000	12,026,182	12,026,182	636,962
3.90% NOTES AYC FINANCE LTD 2021 W/O FIXED MAT	200,000	7,839,563	7,839,563	511,801
REPUBLIC OF INDONESIA 4.125% 01/15/2037	200,000	13,895,514	13,895,514	368,789
SAUDI ARABIAN OIL CO 5.75% 17.0.2054	350,000	20,064,450	20,064,450	223,139
<i>Disposed or matured financial assets</i>				
JOLLIBEE WORLDWIDE 3.9 PERPETUAL	200,000	—	—	24,143
3.9% NOTES JOLLIBEE WORLDWIDE PTE	200,000	—	—	24,147
HSBC HOLDINGS PLC 6.375%	200,000	—	—	180,702
NOTES HSBC HLDINGS PLC 2015 6.375%	200,000	—	—	180,702

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
6.125% EMIRATES NBD BANK PJSC W/O FIXED MAT	200,000	—	—	154,068
6.125% EMIRATES NBD BANK PJSC W/O FIXED MAT	200,000	—	—	154,068
LISTRINDO CAPITAL BV 4.95%	200,000	—	—	157,603
1.50% EURO MEDIUM TERM NOTES ST ENGINEERING	200,000	—	—	56,272
MERRILL LYNCH BV 5.69% 05/07/2027	300,000	—	—	335,702
4.75% NOTES PT INDONESIA ASAHAN ALUMINUM	200,000	—	—	203,250
1.25% NOTES TSMC GLOBAL LTD	200,000	—	—	60,420
DEUTSCHE BANK AG DBKG 6.119 07/14/26	200,000	—	—	370,417
PETROLEOS MEXICANOS PEMEX 6.49 01/23/27	200,000	—	—	461,140
BONDS RIZAL COMMERCIAL BANKING CORP. 2020-WITHOUT FIXED MATURITY FIXED/VARIABLE RATE	500,000	—	—	1,205,932
6.7 Note Petroleos Mexicanos Pemex	181,000	—	—	430,844
6.7 Note Petroleos Mexicanos Pemex	104,000	—	—	247,557
BONDS PETRON CORP 2021 W/O FIXED MAT	200,000	—	—	490,676
LLOYDS BANKING GROUP PLC 7.5%	200,000	—	—	636,363
LLOYDS BANKING GROUP PLC 7.50 PERP face \$200k	200,000	—	—	636,364
BANGKOK BANK PCL/HONGONG VRN CLEAR	200,000	—	—	413,971
BANGKOK BANK PCL/HONGONG VRN CLEAR	200,000	—	—	413,971
Mexichem Sab de CV 4% face \$200k	200,000	—	—	345,293
4% NOTES ORBIA ADVANCE CORP	200,000	—	—	345,293
5.25% NOTES CENTRAL AMERICA BOTTLING CORP	200,000	—	—	483,223
4.50% NOTES BRASKEM NETHERLANDS B.V.	200,000	—	—	426,200
4.50% NOTES BRASKEM NETHERLANDS	200,000	—	—	426,200
2.587% NOTES PTTEP TREASURY CENTER CO LTD	200,000	—	—	240,024
2.30% MTN PT PERTAMIN (PERSERO)	200,000	—	—	211,990
Total Financial Assets at FVPL		₱857,409,047	₱857,409,047	₱44,895,037

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
FINANCIAL ASSETS AT AMORTIZED COST				
Corporate Bonds (PHP):				
NLEX CORP 6.90% SERIES B DUE 2028	15,000,000	14,956,441	15,209,346	1,035,000
NLEX CORP 6.90% SERIES B DUE 2028	3,000,000	2,991,288	3,041,869	207,000
SMC GLOBAL POWER HOLDINGS CORP SERIES J 7.60%	50,000,000	49,973,081	50,634,477	3,800,000
Aboitiz Equity Ventures Series E 6.8032% fixed rate bonds due 2033	48,380,000	48,321,168	47,865,479	3,291,388
SMC TOLLWAYS SERIES B BONDS 6.7026% P.A. DUE 2031	70,000,000	69,867,552	69,445,291	4,691,820
UNIONBANK 6.02% Series I Senior Fixed Rate Bonds due 2028	30,000,000	29,999,142	29,812,530	933,100
PETRON CORP SERIES G FIXED RATE BONDS DUE 2030	25,000,000	24,986,769	25,227,192	801,415
Ayala Land Inc Sustainability-Linked Bonds due 2035 @ 6.3192%	30,000,000	29,969,956	29,958,506	368,620
Security Bank Corp Fixed Rate 6.00% bonds due 2030	30,000,000	29,995,360	29,491,400	315,000
SM Prime Holdings, Inc. 6.2855% pa.a Series AD Bonds due 2035	30,000,000	29,943,458	29,267,490	230,468
ACEN CORP Series A 7.133%	35,000,000	34,840,727	35,350,000	—
ACEN CORP Series B 8.00%	28,000,000	27,807,326	29,960,000	—
PETRON PREFERRED SHARES SERIES 3B 7.1383% 25K SHARES	25,000,000	24,979,016	25,125,000	—
<i>Disposed or matured financial assets</i>				
ARTHALAND FIXED RATE ASEAN GREEN BONDS 6.3517% DUE 2025	50,000,000	—	—	308,763
SM PRIME HOLDINGS INC SERIES I 6.0804%	10,000,000	—	—	96,221
SAN MIGUEL FOOD AND BEVERAGE INC. 5.05% DUE 2025	34,000,000	—	—	329,092
UNIONBANK SERIES A UNSECURED SUBORDINATED NOTES 5.25% DUE 2024MAY30	100,000,000	—	—	2,085,417
NLEX CORP 6.6407% SERIES A DUE 2025	8,800,000	—	—	295,437
NLEX CORP 6.6407% SERIES A DUE 2025	10,000,000	—	—	335,724
PETRON CORP SERIES D 8.0551% 2025	25,000,000	—	—	1,605,426
ABOITIZ POWER CORP SERIES C 10YR BONDS 8.5091%	7,300,000	—	—	505,559
Government Bonds (PHP):				
PIBD2026A122	30,000,000	29,985,829	30,062,672	2,950,924

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
PIBD2026A122	40,000,000	39,981,106	40,083,563	3,934,566
PIBD2026A122	20,000,000	19,990,553	20,041,782	1,967,283
PIBD2026L139	30,000,000	29,529,811	30,744,648	2,841,250
PIBD2026L139	20,000,000	19,686,541	20,496,432	1,894,166
PIBD2026L139	20,000,000	19,686,541	20,496,432	1,894,166
PIBD2531A032	5,000,000	5,163,211	6,180,519	538,493
PIBD0729E673 (6.5%)	25,000,000	24,982,707	25,636,431	1,625,000
PIBD1029A644 (6.47%)	25,000,000	25,255,295	26,008,668	1,639,322
PIBD1029A644 (6.76%)	10,020,000	10,043,912	10,424,274	679,934
PIBD1029A644 (5.791%)	14,565,000	14,985,153	15,152,650	874,301
PIBD1032A675 (6.313%)	20,000,000	18,558,925	18,983,884	1,163,664
PIBD1032F689 (7.25%)	15,000,000	14,989,551	16,086,858	1,087,500
PIBD1032F689 (6.865%)	11,940,000	12,167,992	12,805,139	837,525
PIBD2535L086 (6.30%)	25,000,000	28,316,065	28,666,448	1,796,661
PIID0527C159 (auction)	30,000,000	29,979,565	29,885,879	1,462,500
PIBD2531J042	20,000,000	19,152,365	23,400,566	1,976,583
PIBD2531J042	15,311,002	14,662,095	17,914,306	1,513,173
PIBD0726B627 (6.175%)	25,918,782	25,911,611	25,946,709	1,604,904
PIBD0726B627 (6.25%)	20,000,000	19,986,407	20,021,550	1,250,937
PIBD0729J687 (7%)	10,000,000	9,993,050	10,452,453	700,000
PIBD0729J687 (6.00%)	20,000,000	20,653,124	20,904,905	1,247,030
PIBD0729J687 (6.045%)	9,800,000	10,104,103	10,243,404	614,778
PIBD1032I695 (6.75%)	12,410,000	12,401,396	12,969,350	837,675
PIBD1032I695 (6.32%)	25,000,000	25,562,258	26,126,812	1,619,913
PIBD1032I695 (6.29%)	30,000,000	30,723,387	31,352,175	1,938,118
PIBD1032I695 (6.335%)	26,000,000	26,561,030	27,171,885	1,687,520
PIBD1032I695 (6.15%)	12,040,000	12,423,472	12,582,673	615,186
PIBD1032I695 (6.143%)	8,510,000	8,784,338	8,893,567	434,499
PIBD1032I695 (6.005%)	19,300,000	20,068,807	20,169,899	902,954

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
PIBD1032I695 (6.115%)	16,300,000	16,848,443	17,034,682	576,476
PIBD2027I140 (7%)	30,000,000	30,735,083	31,507,609	2,176,084
PIBD2042K253 (8.125%)	20,000,000	19,985,955	23,644,410	1,625,000
PIBD2042K253 (6.70%)	30,000,000	34,253,596	35,466,616	2,304,223
PIID0528I160 (5.75%)	30,000,000	29,979,395	30,243,875	1,725,000
PIID0528I160 (6.35%)	20,000,000	19,743,475	20,162,583	1,250,547
PIBD2535I071 (7.182%)	1,365,000	1,441,135	1,557,787	103,888
PIID0528B176 (6.125%)	30,000,000	29,979,321	30,502,468	1,837,500
PIBD0729E673 (6.20%)	20,760,000	20,931,454	21,288,492	1,301,417
PIBD0729E673 (6.10%)	25,000,000	25,282,671	25,636,431	1,547,372
PIBD1336D016 (5.91%)	30,000,000	30,755,539	30,471,851	1,821,558
PIBD2038B224 (6.10%)	25,000,000	25,828,688	25,710,383	1,579,038
PH0000057218 (6.375%)	20,000,000	19,986,182	20,464,326	1,275,000
PH0000057218 (6.43%)	30,000,000	29,912,330	30,696,489	1,924,761
PH0000057218 (6.24%)	5,000,000	5,022,559	5,116,081	313,960
PH0000057374 (6.535%)	30,000,000	30,139,285	31,176,783	1,971,737
PH0000057374 (6.625%)	8,800,000	8,793,906	9,145,190	583,000
PH0000057374 (6.38%)	30,000,000	30,415,158	31,176,783	1,944,272
PH0000057374 (6.555%)	30,000,000	30,100,227	31,176,783	1,975,595
PH0000057473 (6.245%)	25,000,000	24,983,824	25,042,485	1,561,467
PIID0527C159 (6.19%)	30,000,000	29,536,137	29,885,879	1,815,607
PIBD1027E617 (6.515%)	19,000,000	18,563,888	18,683,111	1,195,472
PH0000058117 (6.10%)	42,000,000	41,999,609	42,730,588	2,564,127
PH0000058125 (6.095%)	25,000,000	25,014,830	25,279,907	1,525,961
PH0000058125 (6.268%)	30,000,000	29,794,387	30,335,888	1,867,846
PH0000058125 (6.20%)	25,000,000	24,900,832	25,279,907	1,544,723
PH0000058125 (6.20%)	25,000,000	24,900,812	25,279,907	1,544,726
PH0000058125 (6.47%)	20,000,000	19,691,793	20,223,925	1,273,015
PH0000058125 (6.85%)	11,000,000	10,656,468	11,123,159	727,907

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PH0000058133 (6.21%)	30,000,000	30,054,478	30,472,290	1,867,997
PH0000058133 (6.25%)	3,400,000	3,397,654	3,453,526	212,500
PH0000058133 (6.78%)	8,000,000	7,733,920	8,125,944	523,627
PH0000058133 (6.145%)	42,000,000	42,244,665	42,661,206	2,158,675
PH0000058133 (6.20%)	16,000,000	16,037,564	16,251,888	785,257
PH0000058281 (6.25%)	50,000,000	49,965,495	50,992,962	3,125,000
PH0000058281 (6.82%)	30,000,000	29,463,762	30,595,777	1,996,779
PH0000058281 (6.825%)	25,000,000	24,550,146	25,496,481	1,664,679
PH0000058281 (6.465%)	2,400,000	2,382,597	2,447,662	153,753
PH0000058281 (6.025%)	20,000,000	20,132,539	20,397,185	1,225,339
PH0000058281 (6.065%)	24,000,000	24,127,129	24,476,622	1,268,623
PH0000058786 (6.875%)	30,000,000	29,979,175	31,500,397	2,062,500
PH0000058786 (6.89%)	9,000,000	8,979,029	9,450,119	619,139
PH0000058786 (6.42%)	25,000,000	26,197,035	26,250,331	1,684,910
PH0000058786 (6.23%)	30,000,000	32,076,192	31,500,397	2,002,824
PH0000058786 (6.085%)	30,000,000	32,577,113	31,500,397	1,987,376
PIBD2031G171 (7.10%)	30,000,000	31,193,487	33,152,402	2,226,595
PIBD2031G171 (6%)	30,000,000	32,766,669	33,152,402	1,452,795
PH0000060345	37,000,000	36,974,436	37,922,982	1,598,708
PH0000060907	21,692,632	21,677,697	21,837,488	473,622
PH0000060907	65,377,656	65,332,645	65,814,226	1,427,412
PH0000060907	11,000,000	10,992,427	11,073,454	240,167
PH0000059891 (6.40%)	20,000,000	19,923,896	19,925,613	443,089
PH0000059891 (6.505%)	30,000,000	29,504,319	29,888,420	368,155
PIBD0726B627 (4.805%)	7,698,550	7,705,880	7,706,845	374,739
PIBD0726B627 (5.90%)	15,000,000	14,996,025	15,016,162	887,915
PIBD0728D649 (5.75%)	20,000,000	19,082,639	19,231,473	1,082,076
PIBD0729E673 (6.65%)	30,000,000	29,843,071	30,763,717	1,984,824
PIBD0729E673 (6.05%)	40,000,000	40,511,645	41,018,290	2,460,281

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PIBD1029A644 (6.76%)	13,360,000	13,391,883	13,899,032	906,579
PIBD1029A644 (6.025%)	20,000,000	20,446,542	20,806,934	1,242,043
PIBD1032A675 (6.894%)	15,000,000	13,512,844	14,237,913	922,423
PIID0528B176	30,000,000	29,979,322	30,502,468	1,837,500
PIID0528B176 (6.55%)	10,000,000	9,890,704	10,167,489	646,910
PIBD1032I695 (6.50%)	22,000,000	22,278,422	22,991,595	1,450,998
PIBD1032I695 (6.143%)	10,620,000	10,962,358	11,098,670	542,231
PIBD1032I695 (6%)	40,000,000	41,604,116	41,802,900	1,835,519
PH0000057374 (6.925%)	30,000,000	29,450,259	31,176,783	2,038,690
PH0000057374 (6.125%)	30,000,000	30,879,524	31,176,783	1,901,715
PH0000057218 (6.65%)	30,000,000	29,656,593	30,696,489	1,971,241
PH0000057218 (6.06%)	30,000,000	30,348,839	30,696,489	2,061,159
PH0000058281 (6.25%)	50,000,000	49,965,495	50,992,962	3,125,000
PH0000058281 (6.25%)	30,000,000	29,979,297	30,595,777	1,875,000
PIID0527L140 (6.55%)	25,000,000	24,266,995	24,797,282	1,508,219
PH0000058125 (6.73%)	30,000,000	29,207,489	30,335,888	1,957,030
PH0000058133 (6.75%)	25,000,000	24,209,183	25,393,575	1,628,497
PH0000058133 (6.09%)	15,000,000	15,140,087	15,236,145	820,745
PH0000058133 (6.20%)	25,000,000	25,058,720	25,393,575	1,231,284
PIBD2027I140 (6.05%)	2,110,000	2,193,886	2,216,035	134,968
PH0000060345	69,000,000	68,952,327	70,721,236	2,981,375
PH0000060345 (6.03%)	30,000,000	30,707,248	30,748,364	468,616
PIBD2039A232 (6.45%)	18,000,000	18,458,514	18,882,421	576,191
PH0000060907	13,500,000	13,490,706	13,590,149	294,750
PH0000060907	12,353,116	12,344,611	12,435,606	269,710
PH0000060907	26,578,720	26,560,421	26,756,204	580,302
PH0000058240 (6.37%)	30,000,000	29,592,340	29,571,572	398,251
PH0000058240 (6.41%)	22,000,000	21,607,789	21,685,819	211,773
PH0000058786 (6.41%)	45,000,000	47,208,335	47,250,596	454,311

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PH0000057200 (6.165%)	50,000,000	53,567,009	53,793,349	505,266
PIID0528B176	14,800,000	14,789,799	15,047,884	906,500
PH0000060345	20,000,000	19,986,182	20,498,909	864,167
PIBD1032J701 (7.40%)	25,000,000	25,123,408	27,174,166	1,859,540
PIBD2534K062 (8.168%)	4,170,000	4,471,581	5,084,063	362,864
PIBD0729J687 (6.796%)	50,000,000	50,300,017	52,262,263	3,424,664
PIID0528B176	50,000,000	49,965,536	50,837,447	3,062,500
PIBD0729E673 (6.20%)	17,000,000	17,146,620	17,432,773	1,064,091
PIBD1032I695 (6.32%)	29,500,000	30,203,037	30,829,639	1,906,801
PH0000057218 (6.33%)	20,000,000	20,016,758	20,464,326	1,269,384
PH0000058281 (6.25%)	100,000,000	99,930,990	101,985,925	6,250,000
PH0000058281 (6.805%)	50,505,000	49,598,511	51,507,991	3,362,447
PH0000058125 (6.25%)	30,000,000	29,806,477	30,335,888	1,865,871
PH0000058133 (6.775%)	30,000,000	28,951,292	30,472,290	1,968,094
PH0000058786 (6.89%)	30,000,000	29,930,097	31,500,397	2,063,798
PH0000058786 (6.405%)	25,000,000	26,238,162	26,250,331	1,379,054
PH0000058133 (6.111%)	50,000,000	50,399,957	50,787,149	2,690,029
PIBD1032I695 (6.15%)	10,180,000	10,504,231	10,638,838	520,149
PIBD1032I695 (6.143%)	20,000,000	20,644,742	20,901,449	1,021,150
PH0000057218 (5.97%)	30,000,000	30,455,325	30,696,488	1,437,962
<i>Disposed or matured financial assets</i>				
PH0000058042 (6.05%)	18,000,000	—	—	85,302
PIBD0325D270 (4.55%)	20,000,000	—	—	239,802
PIBD0325D270 (4.31%)	20,000,000	—	—	227,429
PIBD0325D270 (4.994%)	20,000,000	—	—	262,639
PIBD0325D270 (5.80%)	30,000,000	—	—	455,367
PIBD0725D618 (5.75%)	30,000,000	—	—	479,213
PIBD0725D618 (5.80%)	25,000,000	—	—	402,939

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PIBD0725D618 (6.03%)	24,500,000	—	—	410,133
PIBD0725D618 (6.35%)	10,000,000	—	—	175,811
PIBD0725D618 (6.29%)	10,000,000	—	—	174,251
PIBD0725D618 (6.25%)	25,000,000	—	—	433,244
PIBD0725D618 (6.40%)	30,000,000	—	—	531,827
PIBD0725D618 (6.275%)	14,000,000	—	—	243,392
PIBD0725D618 (6.215%)	25,000,000	—	—	430,816
PIBD0325D270 (5.30%)	40,000,000	—	—	399,004
PIBD0725D618 (6.125%)	20,000,000	—	—	339,687
PH0000058927 (6.11%)	6,900,000	—	—	225,325
PH0000058935 (6.1255%)	5,000,000	—	—	169,041
PH0000058935 (6.153%)	2,000,000	—	—	68,045
PIID0525H130	20,000,000	—	—	322,292
PIID0525H130 (6.22%)	20,000,000	—	—	750,613
PH0000059149 (6.055%)	17,000,000	—	—	606,998
PIID0525H130 (4.15%)	20,000,000	—	—	506,144
PIID0525H130 (5.69%)	30,000,000	—	—	909,160
PH0000059149 (6.06%)	9,500,000	—	—	339,469
PIBD0326H014 (6.375%)	26,600,000	—	—	1,163,213
PIBD0726B627 (4.805%)	12,301,450	—	—	359,254
PIBD0326H014 (5.25%)	1,710,000	—	—	54,898
PIBD0326H014 (6.175%)	20,000,000	—	—	833,380
PIBD0726B627	9,750,000	—	—	288,895
PIBD0726B627 (5.425%)	10,000,000	—	—	359,083
PIBD0726B627 (4.025%)	8,800,000	—	—	182,299
PIBD0726B627 (5.69%)	25,703,000	—	—	996,357
PIBD0726B627 (6.225%)	6,770,000	—	—	300,218
PIBD0726B627 (6.175%)	4,081,218	—	—	178,379
PH0000059164 (6.05%)	30,000,000	—	—	1,136,938

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PIBD0526D772 (5.055%)	15,000,000	—	—	585,982
PIBD0526D772 (3.85%)	15,000,000	—	—	368,748
PIBD2025J116	4,000,000	—	—	322,460
Total Financial Assets at Amortized Cost		3,862,876,375	3,942,774,465	237,158,018
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)				
Government Bonds (Foreign)				
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	534,771
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	542,442
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	545,660
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	544,128
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	552,863
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	582,361
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	583,821
REP OF THE PHILIPPINES 6.375%	250,000	16,479,572	16,479,572	599,012
REP OF THE PHILIPPINES 6.375%	200,000	13,183,658	13,183,658	507,498
Republic of the Philippines 6.375% face \$250k	250,000	16,479,572	16,479,572	634,738
REP OF THE PHILIPPINES 6.375%	300,000	19,775,486	19,775,486	1,078,474
6.375% BONDS REPUBLIC OF THE PHILS	300,000	19,775,486	19,775,486	656,383
6.375% BONDS REPUBLIC OF THE PHILS	200,000	13,183,658	13,183,658	434,540
6.375% BONDS REPUBLIC OF THE PHILS	250,000	16,479,572	16,479,572	537,584
6.375% BONDS REPUBLIC OF THE PHILS	250,000	16,479,572	16,479,572	545,305
6.375% BONDS REPUBLIC OF THE PHILS	250,000	16,479,572	16,479,572	554,463
6.375% BONDS REPUBLIC OF THE PHILS	500,000	32,959,144	32,959,144	1,158,804
6.375% BONDS REPUBLIC OF THE PHILS	200,000	13,183,658	13,183,658	473,158
REPUBLIC OF THE PHILIPPINES 7.75%	200,000	13,639,280	13,639,280	441,441
REPUBLIC OF THE PHILIPPINES 7.75%	200,000	13,639,280	13,639,280	443,561
REPUBLIC OF THE PHILIPPINES 7.75%	200,000	13,639,280	13,639,280	451,491

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REPUBLIC OF THE PHILIPPINES 7.75%	250,000	17,049,100	17,049,100	534,987
REPUBLIC OF THE PHILIPPINES 7.75%	150,000	10,229,460	10,229,460	328,658
REPUBLIC OF THE PHILIPPINES 7.75%	250,000	17,049,100	17,049,100	546,696
REPUBLIC OF THE PHILIPPINES 7.75%	250,000	17,049,100	17,049,100	574,351
REPUBLIC OF THE PHILIPPINES 7.75%	250,000	17,049,100	17,049,100	590,681
REPUBLIC OF THE PHILIPPINES 7.75%	200,000	13,639,280	13,639,280	490,440
Republic of the Philippines 7.75% face \$250k	250,000	17,049,100	17,049,100	462,688
REPUBLIC OF THE PHILIPPINES 7.75%	300,000	20,458,920	20,458,920	1,047,374
PHILIPPINES, REPUBLIC OF THE GOV 5.17 10/13/27	200,000	11,981,402	11,981,402	627,419
PHILIPPINES REPUBLIC OF THE (GOV) PHGV 4.20 03/29/47	300,000	14,784,392	14,784,392	780,575
PHILIPPINES, REPUBLIC OF THE GOV 4.20 03/29/47	400,000	19,712,522	19,712,522	1,057,002
PHILIPPINES, REPUBLIC OF THE GOV 4.20 03/29/47	300,000	14,784,392	14,784,392	786,162
PHILIPPINES, REPUBLIC OF THE GOV PHGV 4.20 03/29/47	300,000	14,784,392	14,784,392	329,885
PHILS, REPUBLIC OF THE GOV PHGV 5.50 01/17/48	400,000	23,457,210	23,457,210	1,259,564
PHILIPPINES, REPUBLIC OF THE (GOVT) PHGV 5.50 01/17/2048	300,000	17,592,908	17,592,908	954,533
ROP SUKUK TRUST 5.045% 06/06/2029	300,000	18,033,833	18,033,833	897,538
ROP SUKUK TRUST 5.045% 06/06/2029	300,000	18,033,833	18,033,833	861,078
PHILIPPINES, REPUBLIC OF THE GOV PHGV 5.60 05/14/49	300,000	17,879,509	17,879,509	959,512
PHILS, REPUBLIC OF THE GOV PHGV 5.60 05/14/2049	400,000	23,839,345	23,839,345	1,147,033
PHILIPPINES, REPUBLIC OF THE GOV 5.175 09/05/49	400,000	22,457,780	22,457,780	1,190,739
PHILIPPINES, REPUBLIC OF THE GOV 5.175 09/05/49	500,000	28,072,225	28,072,225	1,471,579
PHILS, REPUBLIC OF THE GOV PHGV 5.25 05/14/2034	250,000	15,303,772	15,303,772	758,197
PHILS, REPUBLIC OF THE GOV PHGV 5.25 05/14/2034	500,000	30,607,544	30,607,544	1,522,674
PHILS, REPUBLIC OF THE GOV PHGV 5.50 02/04/35	200,000	12,404,690	12,404,690	578,934
6.375% BOND REPUBLIC OF THE PHILIPPINES	300,000	19,488,885	19,488,885	650,328
6.375% BOND REPUBLIC OF THE PHILIPPINES	200,000	12,992,590	12,992,590	407,554
PHILIPPINE GOVERNMENT 6.375%	200,000	12,992,590	12,992,590	407,963
6.375% BOND REPUBLIC OF THE PHILIPPINES	500,000	32,481,475	32,481,475	1,133,942
6.375% BOND REPUBLIC OF THE PHILIPPINES	400,000	25,985,180	25,985,180	1,000,439

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5.50% REPUBLIC OF THE PHILS 2023-17.01.2048	300,000	17,698,553	17,698,553	955,452
5.50% NOTES REPUBLIC OF THE PHILS 2023-17.01-2048	300,000	17,698,553	17,698,553	937,577
5.50% NOTES REPUBLIC OF THE PHILS 2023-17.01-2048	300,000	17,698,553	17,698,553	946,866
5.50% NOTES REPUBLIC OF THE PHILIPPINES 2023-17.01-2048	300,000	17,698,553	17,698,553	956,315
6.375% BOND REPUBLIC OF THE PHILIPPINES	250,000	16,277,481	16,277,481	593,665
6.375% BOND REPUBLIC OF THE PHILIPPINES	250,000	16,277,481	16,277,481	593,665
6.375% BOND REPUBLIC OF THE PHILIPPINES	400,000	26,043,970	26,043,970	944,388
6.375% BOND REPUBLIC OF THE PHILIPPINES	150,000	9,766,489	9,766,489	360,779
6.375% BOND REPUBLIC OF THE PHILIPPINES	150,000	9,766,489	9,766,489	361,140
6.375% BOND REPUBLIC OF THE PHILIPPINES	160,000	10,417,588	10,417,588	390,789
PHILIPPINE GOVERNMENT 6.375%	300,000	19,532,978	19,532,978	748,355
PHILIPPINE GOVERNMENT 6.375%	250,000	16,277,481	16,277,481	557,317
PHILIPPINE GOVERNMENT 6.375%	100,000	6,510,993	6,510,993	238,941
6.375% BOND REPUBLIC OF THE PHILS	200,000	13,021,985	13,021,985	632,264
4.2% NOTES REPUBLIC OF THE PHILIPPINES 2022-29.03-2047	200,000	9,873,545	9,873,545	400,256
4.20% NOTES REPUBLIC OF THE PHILS 2022-29.03.2047	300,000	14,810,318	14,810,318	330,798
5% REPUBLIC OF THE PHILS 2012-13.01.2037	200,000	11,919,085	11,919,085	582,002
5% REPUBLIC OF THE PHILS 2012-13.01.2037	300,000	17,878,627	17,878,627	800,102
5.60% REPUBLIC OF THE PHILS 2024-14.05.2049	400,000	23,855,806	23,855,806	1,280,771
5.60% REPUBLIC OF THE PHILIPPINES 2024-14.05.2049	400,000	23,855,806	23,855,806	1,147,930
5.175% NOTES REPUBLIC OF THE PHILS	400,000	22,538,675	22,538,675	1,180,148
5.175% NOTES REPUBLIC OF THE PHILS 2024-05.09.2049	400,000	22,538,675	22,538,675	1,190,746
5.175% NOTES REPUBLIC OF THE PHILS 2024-05.09.2049	400,000	22,538,675	22,538,675	1,207,543
5.175% NOTES REPUBLIC OF THE PHILS 2024-05.09.2049	400,000	22,538,675	22,538,675	245,921
3.625% REPUBLIC OF THE PHILS 2025-04.02.2032	200,000	14,041,370	14,041,370	335,590
1.75% NOTES REPUBLIC OF THE PHILS 2021-28	250,000	12,534,736	12,534,736	197,243
1.75% NOTES REPUBLIC OF THE PHILS 2021-28	300,000	15,041,684	15,041,684	227,712
5% NOTES REPUBLIC OF THE PHILIPPINES 2023-17.07-2033	200,000	12,052,354	12,052,354	593,032
5% NOTES REPUBLIC OF THE PHILIPPINES 2023-17.07-2033	350,000	21,091,620	21,091,620	1,013,149

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5% NOTES REPUBLIC OF THE PHILIPPINES 2023-17.07-2033	200,000	12,052,354	12,052,354	610,102
5.045% ROP SUKUK TRUST 2023-06.06.2029 PHILS	200,000	12,058,261	12,058,261	585,475
5.045% ROP SUKUK TRUST 2023-06.06-2029	200,000	12,058,261	12,058,261	610,158
5.045% ROP SUKUK TRUST 2023-06.06-2029	200,000	12,058,261	12,058,261	591,449
5.045% ROP SUKUK TRUST 2023-06.06.2029	200,000	12,058,261	12,058,261	580,414
5.25% NOTES REPLUBLIC OF THE PHILS 2024-14.05.2034	300,000	18,363,442	18,363,442	907,824
5.25% NOTES REPUBLIC OF THE PHILS 2024-14.05.2034	300,000	18,363,442	18,363,442	917,750
5.50% REPUBLIC OF THE PHILS 2025-02.04.2035	300,000	18,632,512	18,632,512	869,544
REPUBLIC OF THE PHILIPPINES 3.625% 04.02.2032	170,000	11,932,424	11,932,424	279,598
REPUBLIC OF THE PHILS 5.6% 14.05.2049	400,000	23,744,331	23,744,331	750,244
RPGb 5 3/4 04/11/29	500,000	30,644,288	30,644,288	1,651,770
Government Bonds (Php)				
PIID0527L140 (4.625%)	20,000,000	19,837,826	19,837,826	925,000
Corporate bonds (Php)				
ABOITIZ POWER SERIES D BONDS DUE 2026 5.2757%	50,000,000	49,992,319	49,992,319	2,637,850
CONVERGE FIXED RATE BONDS 2027	61,070,000	61,574,514	61,574,514	3,416,378
ACEN CORP 6.0526% 5Y fixed rate	4,600,000	4,614,634	4,614,634	277,646
COLOMBIA, REPUBLIC OF 8.375%	8,350,000	12,128,612	12,128,612	621,733
BOC AVIATION PTE LTD 3.875%	12,092,500	14,685,595	14,685,595	502,109
MEXICO CITY ARPT TRUST 4.25%	10,098,000	11,683,219	11,683,219	448,777
BANQUE OUEST AFRICAINE DE DEVELOPPEMENT BOAD 4.70 10/22/31	10,300,000	10,758,570	10,758,570	518,232
BANQUE OUEST AFRICAINE DE DEVELOPPEMENT BOAD 4.70 10/22/31	10,144,000	10,758,570	10,758,570	633,310
TUPY OVERSEAS SA TUPYC 4.50 02/16/31	9,650,000	9,448,376	9,448,376	498,407
REPUBLIC OF SOUTH AFRICA 5.375%	9,565,000	10,004,765	10,004,765	618,521
GAZ FINANCE PLC GAZFI 3.50 07/14/31	10,044,000	7,054,800	7,054,800	398,115
SASOL FINANCING USA LLC SOLJ 5.50 03/18/31	10,024,000	9,862,023	9,862,023	567,682
EMIRATES NBD PJSC 4.85% 121027	20,820,688	22,030,154	22,030,154	946,282

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
PERUSAHAAN LISTRIK NEGARA (PERSERO) PT 6.25% 01/25/49	16,575,000	18,099,971	18,099,971	1,085,172
SAUDI ARABIA, KINGDOM OF (GOV) 5% 01/18/53	10,902,000	10,424,184	10,424,184	590,268
SAUDI ARABIA, KINGDOM OF (GOV) SAGV 5% 01/18/2053	11,276,000	10,424,184	10,424,184	597,437
5% MTN KINGDOM OF SAUDI ARABIA 2023-18.01.2053 GLOBAL SERIES	11,276,000	10,424,184	10,424,184	597,067
5% MTN KINGDOM OF SAUDI ARABIA 2023-18.01.2053 GLOBAL SERIES	11,240,000	10,424,184	10,424,184	593,557
5% MTN KINGDOM OF SAUDI ARABIA 2023-18.01.2053 GLOBAL SERIES	11,186,000	10,424,184	10,424,184	593,573
5% MTN KINGDOM OF SAUDI ARABIA 2023-18.01.2053 GLOBAL SERIES	16,823,100	15,636,276	15,636,276	882,559
2.63567% GOLDMAN SACHS GROUP INC	12,481,250	14,872,841	14,872,841	883,061
2.63567% GOLDMAN SACHS GROUP INC	7,515,000	8,923,705	8,923,705	522,764
BEAZLEY INSURANCE DAC 5.5%	10,452,000	11,913,676	11,913,676	592,613
BEAZLEY INSURANCE DAC 5.5%	10,328,000	11,913,676	11,913,676	573,115
4.375% NOTES MANILA WATER COMPANY INC	24,083,500	28,519,029	28,519,029	1,253,756
5.625% NOTES PT PERTAMINA (PERSERO)	16,365,000	17,262,214	17,262,214	986,860
EQUINOR ASA EQNR 5.100 08/17/40	11,364,000	11,746,360	11,746,360	621,046
SAUDI ARABIA, KINGDOM OF (GOV) SAGV 4.875 07/18/33	11,351,000	11,949,067	11,949,067	583,398
PERUSAHAAN LISTRIK NEGAR 5.25% 241042	11,186,000	10,934,940	10,934,940	629,509
EXPORT-IMPORT BANK OF KOREA KEXIM 4%	5,593,455	5,849,718	5,849,718	264,545
BRAZIL, FEDERATIVE REPUBLIC OF (GOV) BRGV 6% 10/20/33	16,801,500	17,870,690	17,870,690	1,033,052
BRAZIL, FEDERATIVE REPUBLIC OF GOV 6.00 10/20/33	11,195,000	11,913,793	11,913,793	679,874
METROPOLITAN BANK & TRUST CO MBTX 5.375 03/06/29	11,251,000	12,096,042	12,096,042	606,256
PERUSAHAAN LISTRIK NEGARA (PERSERO) PT 1.875 11/05/31	19,811,965	20,121,751	20,121,751	859,576
OCP SA OCP 6.875 04/25/44	16,860,000	18,377,754	18,377,754	1,181,134
RIZAL COMMERCIAL BANKING CORP RCB 5.375 01/29/30	23,370,000	24,045,110	24,045,110	1,174,177
SAUDI ARABIA, KINGDOM OF (GOV) SAGV 3.25 11/17/51	11,443,000	7,688,909	7,688,909	329,373
BANK OF THE PHIL ISLANDS BPI 5.625 04/07/35	17,031,000	18,562,942	18,562,942	693,841
REPUBLIC OF INDONESIA (2035)	14,886,440	15,566,641	15,566,641	469,399
UNITED STATES TREASURY UST 05/15/48	17,289,000	5,859,099	5,859,099	114,412
U.S. TREASURY UST BILL 01/08/26	73,487,500	73,444,657	73,444,657	4,747
4.25% NOTES AT&T INC	10,696,000	11,779,635	11,779,635	503,986

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
4% MEDIUM TERM NOTES NATIONWIDE BUILDING SOCIETY	11,868,750	14,670,310	14,670,310	563,286
HUARONG FINANCE II CO LTD 4.625%	12,071,250	14,699,037	14,699,037	539,482
5.196% NOTES OMGRID FUNDING LTD	9,936,000	11,834,427	11,834,427	581,742
GOHL CAPITAL LTD 4.25%	9,961,000	11,669,815	11,669,815	454,611
4.101% NOTES ELEVANCE HEALTH INC (ANTHEM INC)	10,423,000	11,781,163	11,781,163	467,412
4.346% NOTES FORD MOTOR CO.	10,702,000	11,810,558	11,810,558	520,364
3.875% MEDIUM TERM NOTES REC LTD	10,006,000	11,682,749	11,682,749	489,301
4.125% JGSH PHILIPPINES LTD	9,882,000	11,591,036	11,591,036	465,294
4.125% JGSH PHILS LTD 2020-09.07.2030	11,654,000	11,591,036	11,591,036	428,954
6.25% SULTANATE OF OMAN	9,615,000	12,601,049	12,601,049	666,523
5.999% NOTES PETROBRAS GLOBAL FINANCE B.V.	11,716,000	12,016,676	12,016,676	785,573
RONSHINE CHINA HOLDINGS LTD 8.1%	19,454,000	—	—	—
5% NOTES KINGDOM OF SAUDI ARABIA 2024-16.01.2034	17,418,000	18,030,305	18,030,305	884,546
5.50% NOTES METROPOLITAN BANK 2024-06.03.2034	11,572,000	12,255,363	12,255,363	649,460
BANK OF THE PHIL ISLANDS BPI 5.625 04/07/35	11,486,000	12,417,624	12,417,624	477,110
0% US Treasury Bills 10-07-2025-08.2026	24,717,000	24,672,901	24,672,901	16,887
3.875% MTN PT PERUSAHAAN LISTRIK NEGARA (PERSERO)	10,466,000	11,477,041	11,477,041	489,772
3.875% MTN PERUSAHAAN LISTRIK	11,036,000	11,477,041	11,477,041	615,869
4.125% MEDIUM TERM NOTES PERUSAHAAN LISTRIK	10,463,000	11,727,811	11,727,811	494,959
4.125% MEDIUM TERM NOTES PERUSAHAAN LISTRIK	11,496,000	11,727,811	11,727,811	588,633
5.625% NOTES PT PERTAMINA (PERSERO) 2013-20.05.2043	16,986,000	17,261,633	17,261,633	939,272
5.40% PERUSAHAAN PENERBIT SBSN	16,747,500	18,303,118	18,303,118	946,614
STRIP PRINC 15.05.2047 (USA BONDS)	14,407,500	5,123,576	5,123,576	95,740
<i>Disposed or matured financial assets</i>				
4.125% NOTES RELIANCE INDUSTRIES LTD	250,000	—	—	(17,945)
RELIANCE INDUSTRIES LTD 4.125% 280125	250,000	—	—	109,066
RELIANCE INDUSTRIES LTD 4.125% 280125	250,000	—	—	99,882
4.75% NOTES SEAGATE HDD CAYMAN	200,000	—	—	(52)

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
SINGAPORE, REPUBLIC OF (GOVT) 03/18/25	356,000	—	—	94,410
4.1% NOTES CVS HEALTH CORP	200,000	—	—	110,731
NEMAK SAB DE CV NEMAK 3.625 06/28/31	200,000	—	—	105,078
4.25% NOTES PT PELABUHAN INDONESIA II	200,000	—	—	172,990
4.25% NOTES PT PELABUHAN INDONESIA II	200,000	—	—	201,410
USA B 05/29/25	1,000,000	—	—	542,253
4.625% NOTES THAIOIL TREASURY CENTER COMPANY LTTD	200,000	—	—	225,149
EGYPT, ARAB REPUBLIC OF (GOV) EGGV 5.80 09/30/27	200,000	—	—	359,049
EUROPEAN BANK FOR RECONSTRUCTION & DEV 30.00 08/25/25	6,500,000	—	—	1,394,786
30% MEDIUM TERM NOTES EBRD 2022-25.08.2025 GLOBAL	6,300,000	—	—	1,381,960
4.375% NOTES ADANI PORTS & SPECIAL ECONOMIC ZONE LTS	200,000	—	—	288,636
6.50% NOTES PETROLEOS MEXICANOS PEMEX GTD GLOBAL	200,000	—	—	461,687
SINGAPORE, REPUBLIC OF GOV SGGV 08/05/25	360,000	—	—	144,790
USA B 08/12/25	1,000,000	—	—	458,360
US TBILL 09/25/25	1,000,000	—	—	240,737
4.90% NOTES HEWLETT PACKARD ENTERPRISE CO	200,000	—	—	360,949
4% CHINA CLEAN ENERGY DEV LTD	200,000	—	—	304,291
COMMONWEALTH BANK OF AUSTRALIA 4.5%	250,000	—	—	474,453
Foreign Equity Securities:				
SAVANNAH ENERGY ORD	146,600	820,729	820,729	—
BGF DYNAMIC HIGH INCOME A6	30,864	14,897,097	14,897,097	1,028,597
BGF Dynamic High Income A6 40837.26 units	40,837	19,710,753	19,710,753	1,360,965
FIDELITY FUNDS - ASIAN HIGH YIELD	38,231	10,932,377	10,932,377	580,595
FIDELITY FUNDS - ASIAN HIGH YIELD	25,265	7,224,725	7,224,725	383,689
BGF-ASIAN TIGER BD-A8H AUD DIS	43,564	14,033,678	14,033,678	703,403
BGF-ASIAN TIGER BD-A8H AUD DIS	18,450	5,943,583	5,943,583	297,907
FIDELITY ENHANCED RESERVE A MINCOME(G)	49,057	16,811,534	16,811,534	877,435
FTGF Cirbridge GBI (Legg Mason Clearbridge Global 1,922.338 units x 104.039976321)	1,922	11,294,644	11,294,644	648,085

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
BLACKSTONE PRIVATE CREDIT FUND ICAPITAL	194	11,440,575	11,440,575	1,023,802
INVESCO U SENIOR LOAN FUND	3,136	10,593,967	10,593,967	764,073
BLUE OWL TECHNOLOGY (OWL ROCK SPC 2 A USD-DIS)	100	6,100,631	6,100,631	470,712
LION-PHILLIP S-REIT ETF	430,000	17,239,662	17,239,662	
Shs PIMCO Funds Global Investors Series	20,513	11,685,643	11,685,643	703,392
ALGEBRIS FINANCIAL CRD	2,783	17,805,508	17,805,508	238,060
DWS INVEST SICAV DWS INVEST ASIAN BONDS	2,060	10,128,105	10,128,105	592,664
JPMORGAN INVESTMENT FUNDS SICAV	3,667	27,243,617	27,243,617	1,505,348
MW EUREKA FUND USD RESTRICTED	884	31,522,329	31,522,329	–
Blackstone Private Credit Fund iCapital Offshore Access Fund	198	11,367,641	11,367,641	1,023,145
Shs JPM A USD JPMorgan Funds Sicav	24,845	11,363,632	11,363,632	686,688
UBS (Lux) Equity Sicav - All China	1,072	6,177,739	6,177,739	–
UBS (LUX) BOND FUND - ASIA FLEXIBLE (USD)	1,524	9,472,571	9,472,571	126,837
BS REIT 4 0122 A	152	11,480,034	11,480,034	431,150
Local Equity Securities:				
ALLIANCE GLOBAL GROUP INC	2,600,000	21,294,000	21,294,000	260,000
ALSONS CONS. RESOURCES, INC.	5,000,000	2,350,000	2,350,000	–
ACR MINING CORP NON TRADEABLE	25,000	–	–	100,000
ASIA UNITED BANK CORP	45,674	1,790,421	1,790,421	91,348
BELLE CORPORATION	3,800,000	5,016,000	5,016,000	228,000
MARCVENTURES HOLDINGS, INC.	4,115,000	2,880,500	2,880,500	–
METRO ALLIANCE HOLDINGS	5,000	4,900	4,900	–
NATIONAL REINSURANCE	2,680,000	2,063,600	2,063,600	–
NICKEL ASIA CORPORATION	2,592,000	10,082,880	10,082,880	466,560
PETRON CORP	3,839,300	9,521,464	9,521,464	383,930
PHIL LONG DISTANCE TEL CO "COMMON"	10,500	13,230,000	13,230,000	997,500
SSi GROUP, INC.	2,468,000	6,490,840	6,490,840	377,604
SYNERGY GRID & DEVELOPMENT PHILS	4,166,000	68,988,960	68,988,960	2,894,537

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
FILINVEST REIT CORP	13,698,600	42,465,660	42,465,660	3,328,760
RL COMMERCIAL REIT, INC.	14,285,700	114,571,314	114,571,314	5,951,423
MREIT, INC.	6,205,500	86,877,000	86,877,000	6,217,452
JOLLIBEE FOOD CORP SERIES B PREF SH	29,230	29,054,620	29,054,620	1,239,498
AYALA CORP CLASS "B" PREFERRED SHARES	35,000	70,420,000	70,420,000	4,237,660
PETRON CORP PREF 3B	—	—	—	1,784,575
ACEN CORP Series A 7.133%	—	—	—	2,496,550
ACEN CORP Series B 8.00%	—	—	—	2,240,000
Disposed or matured financial assets				
CHINAAMC ETF SERIES-CHINAAMC CSI 300 INDEX ETF	18,600	—	—	—
ISHARES SILVER TRUST	3,000	—	—	—
TAIWAN SEMICONDUCTOR MFG CO	370	—	—	—
BARRICK GOLD CORP	2,100	—	—	23,872
MW EUREKA FUND USD RESTRICTED	442	—	—	—
THE GLOBAL X COPPER MINERS ETF	1,110	—	—	49,880
MW EUREKA FUND USD RESTRICTED	442	—	—	—
Non Listed Club Shares:				
Casino Español	135,000	200,000	200,000	—
Doble Vista	810,000	810,000	810,000	—
Manila Golf & Country Club	11,500,000	185,000,000	185,000,000	—
Canlubang Golf Club share	5,974,000	5,974,000	5,974,000	—
Phil Columbian	70,000	50,000	50,000	—
Other Shares (Unlisted/Suspended/Certificated):				
Unlisted shares	—	1,866,740	1,866,740	—
Philippine Veterans Bank	1,363,637	150,000,070	150,000,070	—

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds and notes</i>	<i>Amount shown in the statements of financial position</i>	<i>Value based on market quotation at end of reporting period</i>	<i>Income received and accrued</i>
Othe investments				
RB DIGOS	1,140,732	1,140,732	1,140,732	31,806
Total Financial Assets at FVOCI		3,681,100,006	3,681,100,006	163,097,552

BENEFICIAL LIFE INSURANCE COMPANY, INC.

**B. Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders (Other than Related Parties)
DECEMBER 31, 2025**

<i>Name and designation of debtor</i>	<i>Balance at beginning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Non current</i>	
Due from related parties							
Merje Trading, Inc.	₱7,162,424	₱—	₱—	₱—	₱7,162,424	₱—	7,162,424
Jaime C. Fernandez - President	17,966,654	—	—	—	17,966,654	—	17,966,654
Mortgage loan receivable							
Manila Cordage Company	34,742,647	—	(19,852,941)	—	14,889,706	—	14,889,706
	₱59,871,725	₱—	(₱19,852,941)	₱—	₱40,018,784	₱—	₱40,018,784

BENEFICIAL LIFE INSURANCE COMPANY, INC.

H. CAPITAL STOCK
DECEMBER 31, 2025

				<i>Number of shares held by</i>		
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statements of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Capital Stock - ₱1 par value	1,000,000,000	626,756,494	–	508,131,734	166,923	118,457,837

BENEFICIAL LIFE INSURANCE COMPANY, INC.

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025 AND 2024

Ratio	Formula	2025	2024
Current Ratio	Total Current Assets	₱3,227,141,123	₱3,812,837,094
	Divided by: Total Current Liabilities	3,193,210,361	3,290,621,508
	Current Ratio	1.01	1.16
Solvency Ratio	Net Income Before Depreciation and Income Tax Expense	₱292,905,889	₱225,533,765
	Divided by: Total Liabilities	6,653,865,853	6,462,369,924
	Solvency Ratio	0.04	0.03
Debt-to-equity Ratio	Total Liabilities	₱6,653,865,853	₱6,462,369,924
	Divided by: Total Equity	5,320,174,630	4,503,373,590
	Debt-to-equity Ratio	1.25	1.44
Asset-to-equity Ratio	Total Assets	₱11,974,040,483	₱10,965,743,514
	Divided by: Total Equity	5,320,174,630	4,503,373,590
	Asset-to-equity Ratio	2.25	2.44
Interest Coverage Ratio	Net Income Before Interest and Income Tax Expense	₱283,064,001	₱220,733,645
	Divided by: Interest Expense	16,460,196	17,914,867
	Interest Coverage Ratio	17.20	12.32
Return on Equity	Net Income	₱208,966,947	₱172,940,890
	Divided by: Average Equity	4,911,774,110	4,356,052,209
	Return on Equity	4.25%	3.97%
Return on Asset	Net Income	₱208,966,947	₱172,940,890
	Divided by: Total Assets	11,974,040,483	10,965,743,514
	Return on Asset	1.75%	1.58%

BENEFICIAL LIFE INSURANCE COMPANY, INC.**Supplementary Schedules of External Auditor Fee Related Information**
DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	₱1,700,000	₱1,600,000
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-Audit Fees	—	—
Total Audit and Non-audit Fees	₱1,700,000	₱1,600,000

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	₱—	₱—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit Fees of Other Related Entities	₱—	₱—

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Transaction Code: **AFS-0-QSMVQQPW0M34MVTV2M1VYMZMZ03VM2ZN1V**
Submission Date/Time: **May 16, 2026 08:29 AM**
Company TIN: **000-883-987**

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COVER SHEET

SEC Registration Number

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Company Name

B	E	N	E	F	I	C	I	A	L		L	I	F	E		I	N	S	U	R	A	N	C	E		C	O	M	P
A	N	Y	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	Y						

Principal Office (No./Street/Barangay/City/Town/Province)

7	T	H		F	L	O	O	R		B	E	N	E	F	I	C	I	A	L		L	I	F	E		B	U	I	L
D	I	N	G	,		1	6	6		S	A	L	C	E	D	O		S	T	R	E	E	T	,		L	E	G	A
S	P	I		V	I	L	L	A	G	E	,		M	A	K	A	T	I		C	I	T	Y						

Form Type

A	A	S	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

corpsec@benlife.com.ph

Company's Telephone Number/s

(+632) 8818 8671

Mobile Number

09992297694

No. of Stockholders

6787

Annual Meeting
Month/Day

Any Day in June

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

MA. SIGRID R. PINLAC

Email Address

corpsec@benlife.com.ph

Telephone Number/s

(+632)8818 8671

Mobile Number

09992297694

Contact Person's Address

7F Beneficial Life Building, 166 Salcedo Street, Legaspi Village, Makati City

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

ANNEX "D"

COVER SHEET

SEC Registration Number

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Company Name

B	E	N	E	F	I	C	I	A	L		L	I	F	E		I	N	S	U	R	A	N	C	E		C	O	M	P
A	N	Y	,		I	N	C	.																					

Principal Office (No./Street/Barangay/City/Town/Province)

7	T	H		F	L	O	O	R		B	E	N	E	F	I	C	I	A	L		L	I	F	E		B	U	I	L
D	I	N	G	,		1	6	6		S	A	L	C	E	D	O		S	T	R	E	E	T	,		L	E	G	A
S	P	I		V	I	L	L	A	G	E	,		M	A	K	A	T	I		C	I	T	Y						

Form Type

1	7	-	Q
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number/s

(+632) 8818 8671

Mobile Number

09992297694

No. of Stockholders

6787

Annual Meeting
Month/Day

Any Day in June

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

MA. SIGRID R. PINLAC

Email Address

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Telephone Number/s

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Mobile Number

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Contact Person's Address

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter period ended March 31, 2026
2. Commission identification number 16680 3. BIR Tax Identification No. 000-883-987
4. Exact name of registrant as specified in its charter
BENEFICIAL LIFE INSURANCE COMPANY, INC.
5. Province, country or other jurisdiction of incorporation or organization PHILIPPINES
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office Postal Code
BENEFICIAL LIFE BUILDING, 166 SALCEDO ST., LEGASPI VILLAGE, MAKATI CITY 1229
8. Registrant's telephone number, including area code (02) 88188671
9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of each Class | Number of shares of common stock outstanding |
|---------------------|--|
| N/A | |
11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes ☐ No ☒
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)
Yes ☒ No ☐
- (b) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

PLEASE REFER TO THE ATTACHED:

- Statements of Financial Position as of current interim period (March 31, 2026) and a comparative balance sheet as of the end of the immediately preceding financial year (December 31, 2025).
- Statements of Comprehensive Income for the current interim period (for the quarter ended March 31, 2026) with comparative income statements for the comparable interim period (for the quarter ended March 31, 2025).
- Statements of Changes in Stockholders' Equity for the current financial year to date (as of March 31, 2026) with a comparative statement for the comparable year-to-date period of the immediately preceding financial year (as of March 31, 2025).
- Statements of Cash Flows for the current financial year to date (as of March 31, 2026) with a comparative statement for the comparable year-to-date period of the immediately preceding financial year (March 31, 2025).
- Notes to Financial Statements
- Top five (5) key performance indicators and Schedule of Financial Soundness Indicators.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Registrant is aiming for an annual premium budget of P1.70Billion, with group premiums as the main driver. The Registrant has been exerting its maximum efforts to expand its institutional clients and has shown positive results in the year 2025, despite losing a significant portion of its group business due to competition which began during the year 2024. Year 2026 remains a very challenging year, with all the economic and geopolitical issues affecting the nation and the insuring public.

As of the first quarter, the Registrant earned P392,083,828 gross premiums, which is still below the P425Million budget for the period. Comparing with the same period in 2025, however, premiums, net of cessions, increased by 16% to P385,282,242 in 2026 from P330,804,429 in 2025. Investment and other income, on the other hand, significantly decreased by 21% mainly due to the effects of period-end valuation of investment securities.

Net insurance benefits and claims significantly increased by 20% between the two comparative periods. Legal policy reserves due to the change in inforce policies decreased by more than 100% from an increase of P27,878,142 in 2025 to a decrease of P23,399,380 in 2026. Commissions and other direct expenses also increased by 7% between the two comparative periods since premiums from direct business also increased.

About 35% of the Registrant's investible funds are in foreign currency denominated securities. Thus, a major component in the statement of comprehensive income is the foreign exchange gain or loss. The rates used as against USD1.00 were P60.748 as of March 31, 2026 versus P58.79 as of December 31, 2025; and P57.21 as of March 31, 2025 versus P57.845 as of December 31, 2024 based on closing rates found in the Phil. Dealing System (PDS)/Bankers Association of the Philippines (BAP). Realized and unrealized net foreign exchange gains were recorded in 2026 at P109,247,856 and in 2025 at P66,449,951 loss. The said gains/losses were the result of the mark-to-market valuation of foreign currency denominated cash and cash equivalents, financial assets

at fair value through other comprehensive income (FVOCI) and bonds at fair value through profit and loss (FVPL).

For the first quarters of both 2026 and 2025, net income was earned mainly from premiums. Earnings per share amounted to P0.3027 in 2026 as compared to P0.0775 in 2025.

The business of life insurance does not follow any particular seasonality cyclicity or trend as revenues are mainly dependent on the insurance requirements and capacity to pay of the insuring public, while most of the underwriting expenses depend on mortality rates and economic conditions. Taking the two comparative quarters, revenues from premiums are composed of the following:

	<u>2026</u>	<u>2025</u>
Ordinary/Regular	72,358,451	67,909,599
Group	319,442,127	256,071,329
Microinsurance	283,250	225,000
Inward reinsurance	-	17,970,177
	<u>392,083,828</u>	<u>342,176,105</u>
Premiums ceded	6,801,586	11,371,676
Premiums, net of reinsurance	<u>385,282,242</u>	<u>330,804,429</u>

The first quarter of 2026 shows an increase in all lines of direct business while premiums under reinsurance were not recognized as of the end-quarter. The Registrant was able to expand its group business as of the first quarter in 2026 after a significant decline during the year 2025 when business from one of its major accounts decreased due to competition.

No cycle, season or trend can also explain the amount of claims, surrenders and other benefits to be paid in any given period of time as these are mainly dependent on mortality rate and financial condition of the policyholders. This is the reason why the IC as the industry regulator, mandates its requirements on the issuer's minimum network, capital investment, reserve investment and minimum RBC ratio. IC released CL 2014-42A on the Valuation Standards for Life Insurance Policy Reserves which provides a change in the basis of valuation of the life insurance policy reserves from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) which now considers other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. This interim report reflects the said GPV calculations and the result as of the first quarter of 2026 is equivalent to a total net decrease amounting to P43,346,516 in legal policy reserves, broken down as decrease by P23,399,380 due to change in inforce policies and a decrease by P19,947,136 due to changes in discount rates.

An uncertainty which will have a material impact on the operations of the issuer, is when death and policy benefits will be claimed all at the same time. As part of the compliance with IC's requirements on the effectivity of the GPV and the financial reporting framework, the Registrant submits its quarterly reports to the IC on the mandated submission dates per IC CL 2016-69.

Total assets as of the first quarter of 2026 amounted to P12,024,253,768 which is slightly lower by less than a percent than the total for the year ended December 31, 2025 at P11,974,040,483. The major composition of the asset portfolio as of the first quarter of 2026 is: cash and cash equivalents at 6%, investment securities at 70%, property and equipment at appraised values at 13% and loans receivables at 9%. On the Liabilities side, insurance contract liabilities comprise 82% of the total liabilities, premium deposit fund is at 4% while net deferred tax liability is equivalent to 5%. Total stockholders' equity amounted to P5,463,341,614 as of the end-quarter 2026 which is higher than the P5,320,174,630 balance as of December 31, 2025 by 3%.

Other material changes (at least 5%) in the statements of financial position between the two comparative periods are as follows:

- a. Accrued investment income decreased by 21% due to the collection of interest receivable during the quarter.
- b. Increase in property and equipment at cost by 16% was due to the purchase of company vehicle and payments for software used in PFRS 17 implementation.
- c. Decrease in other assets by 7% was due to the recognition of prepayments as expenses for the quarter and the use of creditable withholding tax versus the taxes due for the quarter.
- d. Insurance payables decreased by 28% due to payment made during the first quarter.
- e. Accounts payable and accrued expenses decreased by 15% was also because of the payments made during the quarter
- f. Decrease in other liabilities by 6% is due to the take up of deposits as premiums.

On August 6, 2012, the Parent Company's Board of Directors (BOD) approved the increase in the Parent Company's authorized capital stock from ₱500,000,000 consisting of 500,000,000 common shares with ₱1 par value per share to ₱1,000,000,000 consisting of 1,000,000,000 common shares with the same par value per share. The increase in the capital stock, which were submitted on February 5, 2013, was still for completion of the requirements of the Securities and Exchange Commission (SEC) as of December 31, 2014.

Also on August 6, 2012, the BOD approved the declaration of 58% stock dividend or a total of 188,584,808 shares to be taken from the Registrant's unrestricted retained earnings as of December 31, 2011, and distributed to stockholders as of October 9, 2012.

On June 26, 2014, the BOD approved the declaration of 22% stock dividend or a total of 113,020,283 shares to be taken from the Registrant's unrestricted retained earnings as of December 31, 2013.

At least 25% of the increase in the authorized capital stock of ₱500,000,000 or the amount of ₱301,605,091 has been subscribed and fully paid up through the 58% and 22% stock dividend declarations.

The application for increase in the authorized capital stock that was initially submitted on February 5, 2013 and was re-filed on March 27, 2015 to the SEC. The SEC issued its certificate of approval of increase of capital stock on March 31, 2015.

On October 21, 2021, the Board and stockholders of BFAI approved a resolution for the cessation of its business operations effective December 15, 2021 and shorten the company's term of existence until June 30, 2023. On the same date, the Board and stockholders of another former subsidiary, Solana Investment Holdings Corp. ("SIHC"), a foreign corporation and a wholly owned subsidiary of the Registrant, approved its dissolution and authorized the transfer of its net assets amounting to P143.7Million to the Registrant.

There are no other changes in the composition of the registrant during the interim period, which include any business combination, additional acquisition of subsidiaries, or restructuring of operations.

Provisions as of the first quarter of 2026 were made for the contingent liabilities, which include the legal policy reserves and claims and losses payable, in accordance with IC requirements.

There are no other events other than the ordinary course of business that will trigger direct or contingent financial obligation that is material to the issuer, including any default or acceleration of an obligation. There are no other significant elements of income or loss that did not arise from the issuer's continuing operations. The Registrant is solvent and liquid enough to pay all benefits due under its insurance policies.

The statements of cash flows present the sources and uses of funds for the two comparative periods. As of the first quarter of 2026, the Registrant used its cash in its operations and sourced from investing activities. Short term funds are always available should there be an immediate need for significant amount of funds. A large portion of the Retained Earnings account is unrestricted and the Registrant's declaration of cash dividends is subject to reporting requirements of the IC. The Registrant's network is compliant to the requirement of IC.

The Registrant will continue to rely mainly on its traditional distribution channel, which is the agency force, for tapping new markets in the individual/regular business. The Registrant continuous to rely heavily on its corporate or institutionalized accounts for premium generation this year. Mall operations will still be continued. Two new office spaces located in Quezon City are expected to be occupied by the second quarter of this year. The Registrant will also venture into digital selling by the second quarter of the year.

The Registrant is continuously focusing on its technology enhancements that will improve its servicing, mobile applications, and various online and other payment options.

Funds shall be continually sourced internally for its insurance requirements and the Registrant does not foresee any uncertainty that has or is reasonably likely to have a material impact on the short or long term liquidity. The registrant will meet its due obligations on time. To maximize returns, any available and free cash will be invested in different investment outlets.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

On August 5, 2013, the President of the Philippines approved the Republic Act No. 10607 to be known as the "New Insurance Code" which provides the new capitalization requirements of all existing insurance companies based on net worth on a staggered basis starting June 30, 2013 up to December 31, 2022. The following presents the amount of required net worth and the schedule of compliance per New Insurance Code:

Networth	Compliance Date
P1,300,000,000	December 31, 2022

The required minimum statutory net worth for Parent Company is P1.30Billion since December 31, 2022. The Registrant complied with the minimum statutory net worth capital and minimum paid-up capital required by the IC.

On January 13, 2015, the IC issued the Circular letter (CL) No. 2015-02-A which provides for the clarifications of minimum capital requirements under Sections 194, 197, 200 and 289 of the New Insurance Code. The said CL supersedes the Department Order (DO) Nos. 27-6 and 15-201 and CL Nos. 22-2008 and 26-2008. The minimum net worth requirements must remain unimpaired for the continuance of the license.

In 2015, IC issued Circular Letter No. 2015-29, Financial Reporting Framework under Section 189 of the amended Insurance Code (RA No. 10607). Whereas, the FRF will adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial and insurance core principles. The new regulatory requirements took effect on January 1, 2017 based on IC Circular Letter 2016-69.

CL 2016-68 provides for the Risk-based capital (RBC2) framework for the life insurance industry which establishes the required amounts of capital to be maintained by the insurance companies in relation to their investment and insurance risks. Every life insurance company is annually required to maintain an RBC ratio of at least 100% and not to fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to regulatory intervention which could be at various

levels depending on the degree of the violation. The Registrant remains compliant with this requirement.

Republic Act ("RA") No. 10001 reduced the premium tax from 5% to 2% (applicable on insurance policies issued after the effectivity of the said RA) and amended the DST to one-time payment based on the amount of insurance or coverage. RA 10963 or the Tax Reform for Acceleration and Inclusion ("TRAIN"), which became effective on January 1, 2018, increased the DST tax from the range of P10.00-P100.00 to P20.00-P200.00. Revenue Regulation ("RR") 4-2018 was issued wherein the new rates are listed under Section 10. RA 11534 or the Corporate Recovery and Tax Incentives for Enterprises ("CREATE"), which became effective in July 2021, decreased the RCIT from 30% to 25% or 20% depending on the amount of total assets and total amount of taxable income, and MCIT from 2% to 1% of gross income for a period of three (3) years.

The IC Memorandum Circular No.2023-01 ("IC-MC No. 2023-01") was published by IC pursuant to its mandate to safeguard the rights and interests of the insuring public and to effectively carry out the provisions of Republic Act (RA) No. 11765, otherwise known as the "Financial Products and Services Consumer Protection Act" (FCPA), in consonance with relevant Insurance Core Principles. IC-MC No. 2023-01 shall apply to all financial products or services regulated by the Insurance Commission, excluding reinsurance transactions. Moreover, under its transitory provision, the Registrant, and all regulated entities of the IC are given a period of one (1) year and six (6) months from the effectivity of IC-MC No. 2023-01 to conduct a gap analysis of their current consumer protection practices vis-a-vis the provisions of IC-MC No. 2023-01; and create an Action Plan duly approved by the Board of Directors to achieve full compliance within a reasonable period of time but in no case longer than one (1) year and six (6) months from the effectivity of IC-MC No. 2023-01.

Pursuant to and in compliance with IC-MC No. 2023-01, the Registrant updated its Financial Consumer Protection Program which incorporates a framework for rules, systems and processes that safeguards and promotes the interests and well-being of the policyholders and customers as their insurance needs.

The Registrant, in close coordination with the IC and the SEC, ensures adherence to its ASEAN Corporate Governance under CL 2020-71 and Anti Money Laundering Act under Republic Act no. 11521. The registrant also complied with the requirements of The Foreign Account Tax Compliance Act (FATCA) in 2014 by registering as a Foreign Financial Institution. The Registrant ensures strict compliance with the revised Anti-Money Laundering and Combating the Financing of Terrorism Guidelines, and Sanctions Screening, Data Privacy Act, its Implementing Rules and Regulations, and relevant issuances of the National Privacy Commission.

The Registrant continues to undertake preparations for the implementation of International Financial Reporting Standard ("IFRS") 17 on Insurance Contracts which will become effective two years after its effective date as decided by the International Accounting Standards Board per CL 2020-62 issued by the IC. The IC issued CL 2024-04 dated March 01, 2024 and Advisory no. 2024-006 dated March 25, 2024 detailing the requirements for the application of the Philippine Financial Reporting Standard 17 ("PRFS 17") and its periodic reporting. On March 10, 2025, the IC issued CL2025-04 wherein a new effectivity date of implementation was set to January 1, 2027 and new reportorial requirements. The Registrant will comply the mandatory date of compliance on January 1, 2027. The latest report submitted to the IC was the PFRS status report as of March 31, 2026.

On April 8, 2025, the IC issued CL 2025-09 with the subject Omnibus Guidelines on Investments. The objective of the said CL is "to enhance the investment adaptability of insurance companies". The CL identifies allowable investments which do not require prior approval of the IC, as well as

those that require IC approval and assets which are non-admitted. The Registrant submitted its Board-approved Investment Policy Framework to the IC last August 1, 1025.

There are no other material events subsequent to March 31, 2026 that have not been reflected in the financial statements or disclosed in this report. There are no material commitments for material capital expenditures other than those required in the ordinary course of business.

Segment reporting is not applicable to the issuer.

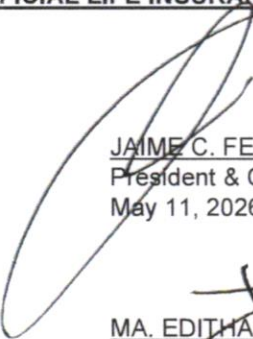
There are no other material off-balance sheet transactions, arrangements, direct or contingent obligations and other relationships of the company with other persons created as of the first quarter of 2026.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant **BENEFICIAL LIFE INSURANCE COMPANY, INC.**

Signature and Title


JAIME C. FERNANDEZ
President & Chief Executive Officer
May 11, 2026

Date

Signature and Title


MA. EDITHA S. RALTONGAN
Senior Vice President – Comptroller & Compliance Officer
May 11, 2026

Date

/17Q.MAR2026

BENEFICIAL LIFE INSURANCE COMPANY., INC.
STATEMENTS OF FINANCIAL POSITION

	Interim / Unaudited March 31, 2026	Audited December 31, 2025
ASSETS		
Cash and cash equivalents	690,582,329	654,688,941
Short-term investments	1,171,313	1,161,886
Insurance receivables	135,519,427	132,896,199
Investment securities	8,438,818,980	8,401,385,428
Loans receivables	1,034,843,305	1,035,983,046
Accrued investment income	85,811,384	108,178,714
Property and equipment:		
At revalued amount	1,544,564,105	1,546,381,160
At cost	28,749,559	24,703,400
Other assets	64,193,366	68,661,709
	12,024,253,768	11,974,040,483
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	5,364,852,441	5,406,927,140
Premium deposit fund	280,108,365	289,849,708
Insurance payables	5,760,658	8,013,841
Derivative liability	522,950	-
Accounts payable and accrued expenses	111,333,266	131,264,343
Income tax liability	105,962	-
Other liabilities	319,684,654	341,766,963
Net retirement liability	137,688,640	135,188,640
Net deferred tax liabilities	340,855,218	340,855,218
	6,560,912,154	6,653,865,853
Equity		
Capital stock	626,756,494	626,756,494
Additional paid-in capital	489,265,675	489,265,675
Retained earnings:		
Appropriated	84,461,650	84,426,456
Unappropriated	2,621,381,348	2,421,370,205
Other comprehensive income	1,641,476,447	1,698,355,800
	5,463,341,614	5,320,174,630
	12,024,253,768	11,974,040,483

BENEFICIAL LIFE INSURANCE COMPANY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Interim / Unaudited for the period ended	
	March 31, 2026	March 31, 2025
REVENUES		
Gross premiums on insurance contracts	392,083,828	342,176,105
Reinsurer's share of gross premiums on insurance contracts	(6,801,586)	(11,371,676)
Net insurance premiums	385,282,242	330,804,429
Interest income	115,024,702	111,701,396
Dividend income	12,658,373	9,382,324
Net fair value gain on financial assets at FVPL	(22,514,134)	3,710,019
Gain (loss) on sale of investment securities	2,064,880	(2,576,504)
Rental income	1,401,423	1,083,806
Other income	5,096,095	20,698,512
	499,013,581	474,803,982
BENEFITS, CLAIMS AND EXPENSES		
Net benefits and claims incurred on insurance contracts	249,644,857	160,968,507
Net change in legal policy reserves	(23,399,380)	27,878,142
Net insurance benefits and claims	226,245,477	188,846,649
General and administrative expenses	135,607,724	116,495,536
Commission and other direct expenses	30,371,830	28,343,980
Finance costs and charges	2,308,380	2,583,923
Insurance taxes	7,835,821	6,495,726
	402,369,232	342,765,814
INCOME BEFORE FOREIGN EXCHANGE CHANGES AND IMPAIRMENT LOSSES	96,644,349	132,038,168
NET FOREIGN EXCHANGE GAIN (LOSS)	109,247,856	(66,449,951)
PROVISION FOR IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES AND INVESTMENT SECURITIES	119,936	-
INCOME BEFORE INCOME TAX	206,012,141	65,588,217
INCOME TAX EXPENSE (BENEFIT)	16,286,695	16,989,134
NET INCOME	189,725,446	48,599,083
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified to profit or loss in subsequent periods -		
Change in revaluation reserves on investment securities [debt instruments classified as financial assets at fair value through other comprehensive income [FVOCI]]	(75,107,764)	64,163,844
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on legal policy reserves	19,947,136	8,379,767
Change in revaluation reserves on investment securities (equity instruments classified as financial assets at FVOCI)	(1,718,726)	3,074,146
Remeasurement gain (loss) on retirement liability - net of deferred tax	-	-
Revaluation increase on property and equipment - net of deferred tax	-	-
	18,228,410	11,453,913
	(56,879,354)	75,617,757
TOTAL COMPREHENSIVE INCOME (LOSS)	132,846,092	124,216,840
Earnings per share	0.3027	0.0775

BENEFICIAL LIFE INSURANCE COMPANY, INC.
STATEMENTS OF CHANGES IN EQUITY

	Interim / Unaudited	
	March 31, 2026	March 31, 2025
CAPITAL STOCK - P1 par value		
Authorized - 1,000,000,000 shares		
Issued and outstanding - 626,756,494 shares	626,756,494	626,756,494
ADDITIONAL PAID-IN CAPITAL	489,265,675	489,265,675
RETAINED EARNINGS		
Appropriation for Negative Legal Policy Reserves		
Balance at beginning of year	84,426,456	307,187,300
Appropriation (reversal) for negative legal policy reserves	35,194	(16,316,323)
Balance at end of period	84,461,650	290,870,977
Unappropriated		
Balance at beginning of year	2,421,370,205	1,967,826,601
Net income	189,725,446	48,599,084
Reversal (appropriation) for negative legal policy reserves	(35,194)	16,316,323
Transfer from revaluation reserves on investment securities	10,320,891	174,353
Balance at end of period	2,621,381,348	2,032,916,361
	2,705,842,998	2,323,787,338
OTHER COMPREHENSIVE INCOME (LOSS)		
Revaluation Reserves on Investment Securities		
Balance at beginning of year	(1,965,255)	(190,333,596)
Change in revaluation reserves	(76,826,488)	67,237,990
Balance at end of period	(78,791,743)	(123,095,606)
Revaluation Surplus on Property and Equipment - Net of Deferred Tax		
Balance at beginning of year	979,463,884	573,372,182
Transfer of revaluation surplus	-	-
Appraisal increase	-	-
Effect of change in income tax rate	-	-
Balance at end of period	979,463,884	573,372,182
Cumulative Remeasurement Gain on Legal Policy Reserves		
Balance at beginning of year	723,295,116	733,731,619
Remeasurement gain (loss) on legal policy reserves	19,947,136	8,379,767
Balance at end of period	743,242,252	742,111,386
Cumulative Remeasurement Gain (Loss) on Retirement Liability - Net of Deferred Tax		
Balance at beginning of year	(2,437,946)	(4,432,685)
Remeasurement loss on retirement liability	-	-
Balance at end of period	(2,437,946)	(4,432,685)
	1,641,476,447	1,187,955,277
	5,463,341,614	4,627,764,784

BENEFICIAL LIFE INSURANCE COMPANY, INC.

STATEMENTS OF CASH FLOWS

	Interim / Unaudited	
	March 31, 2026	March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	206,012,141	65,588,218
Adjustments for:		
Interest income	(115,024,702)	(111,701,396)
Dividend income	(12,658,373)	(9,382,324)
Unrealized foreign exchange loss (gain)	(105,926,377)	66,954,383
Depreciation	4,810,487	4,473,986
Retirement benefits cost	2,500,000	2,500,000
Finance costs	708,652	931,274
Net fair value loss (gain) on financial assets at FVPL	22,514,134	(3,710,019)
Gain on sale of investment securities	(2,064,880)	2,576,504
Provision for (reversal of) impairment losses on:		
Investment securities	(119,936)	-
Operating loss before working capital changes	751,147	18,230,626
Decrease (increase) in:		
Loans receivables	1,139,741	(4,558,207)
Short-term investments	(9,427)	9,454,619
Insurance receivables	(2,623,228)	(1,723,373)
Increase (decrease) in:		
Insurance contract liabilities	(18,675,319)	(87,800,336)
Premium deposit fund	(10,449,995)	(4,729,243)
Insurance payables	(2,253,183)	(76,040)
Accounts payable and accrued expenses	(19,931,077)	(23,227,813)
Other liabilities	(21,493,017)	(52,537,410)
Net cash generated from operations	(73,544,358)	(146,967,177)
Income tax paid	(16,180,733)	(15,015,831)
Net cash provided by (used in) operating activities	(89,725,092)	(161,983,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment securities	(398,837,971)	(787,555,195)
Other assets	4,468,343	888,103
Property and equipment	(7,039,592)	(10,607,488)
Proceeds on sale of property and equipment	-	-
Proceeds from sale/maturities of investment securities	377,043,637	279,831,947
Interest received	137,392,032	125,796,099
Dividends received	12,658,373	9,382,324
Net cash provided by (used in) investing activities	125,684,821	(382,264,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments	-	-
Cash dividends paid	(66,342)	252,673
Net cash provided by (used in) financing activities	(66,342)	252,673
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,893,388	(543,994,545)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	654,688,941	1,016,950,638
CASH AND CASH EQUIVALENTS AT END OF YEAR	690,582,329	472,956,093

BENEFICIAL LIFE INSURANCE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (Unaudited)
AS AT March 31, 2026

1. Corporate Information

Beneficial Life Insurance Company, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on March 16, 1960 to engage and carry on the business of life insurance. The Company extended its corporate life for another 50 years commencing on March 16, 2010. However, as prescribed by the Revised Corporation Code of the Philippines which became effective on February 23, 2019, the Company shall have perpetual existence. The Company is also licensed to engage in the reinsurance business. The Company's Certificate of Authority issued by the Insurance Commission (IC) is valid until December 31, 2027.

The Company is 81%-owned by FMF Development Corporation (FMF or Parent Company), a holding company incorporated in the Philippines engaged primarily to own, invest or manage properties such as buildings or other structures and shares of stock and other types of securities.

The Company's registered office address is located at Beneficial Life Building, 166 Salcedo St., Legaspi Village, Makati City.

The financial statements of the Company as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 08, 2026. The accompanying financial statements for quarterly reporting to the SEC are unaudited.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the financial statements are consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values represent absolute amounts unless otherwise stated.

The financial statements of the Company have been prepared on a historical cost basis, except for

financial assets at FVPL and FVOCI which are carried at fair values, certain components of property and equipment which are carried at revalued amounts, and net retirement liability which is carried at the present value of the defined benefit obligation less fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and consideration received for incurring liability.

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

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

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Adoption of Amendments to PRFS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Accounting Standards Volume 11:
 - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS Accounting Standards 17, *Insurance Contracts* – This standard will replace PFRS Accounting Standards 4, *Insurance Contracts*. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was issued to (i) reduce costs of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS Accounting Standards 17 for the first time.

In response to the challenges brought by the COVID-19 pandemic, the Insurance Commission (IC) issued Circular Letter 2020-062, *Amendment of Section 1 of Circular Letter No. 2018-69, Deferral*

of *IFRS 17 Implementation*, which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date.

Consequently, on March 10, 2025, the IC issued Circular Letter No. 2025-004, *Application of PFRS Accounting Standards 17-Insurance Contracts in the Audited Financial Statements and Preparation of IC Reportorial Requirements*, to further defer the initial application date of PFRS Accounting Standards 17 for an additional two years. The IC, FSRSC and SEC recognized the need to provide more time for the adoption of PFRS Accounting Standards 17 due to gaps in the insurance industry's preparation. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS Accounting Standards 17 for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

- Amendment to PFRS Accounting Standards 17, *Insurance Contracts - Initial Application of PFRS Accounting Standards 17* and PFRS Accounting Standards 9, *Financial Instruments - Comparative Information* – The amendment adds a transition option for a “classification overlay” to address temporary accounting mismatches between financial assets and insurance contract liabilities relating to comparative information presented on the initial application of PFRS Accounting Standards 17. If an entity elects to apply the classification overlay, it can only do so for comparative periods to which it applies PFRS Accounting Standards 17. No amendments have been made to the transition requirements of PFRS Accounting Standards 9.
- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company except for PFRS Accounting Standards 17. The management is currently in the process of performing detailed review and analysis to determine the financial impact of the new insurance contract standard. Additional disclosures will be included in the financial statements, as applicable.

Current and Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on liquidity.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of 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. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference 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.

Financial Assets

In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Classification and Measurement

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI and (c) financial assets at FVPL. The classification of a financial instrument largely depends on the Company’s business model and its contractual cash flow characteristics.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized

cost using the effective interest method, less allowance for impairment, if any. 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. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

The Company's cash and cash equivalents, short-term investments, insurance receivables, loans receivables, accrued investment income and government debt securities assigned as investment deposit with IC and private debt securities which are held primarily to collect contractual cash flows until maturity included under "Investment securities" account in the statements of financial position are classified under this category.

Debt Instruments at FVOCI. Debt instruments shall be measured at FVOCI if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. Changes in the fair value of these instruments are recognized in other comprehensive income and accumulated in equity. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

The Company's investments in private and government debt securities which are denominated in foreign currencies are classified under this category.

Equity Instruments at FVOCI. On initial recognition, equity instruments that are not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value of these instruments including those arising from foreign currency changes are recognized in other comprehensive income and presented in the equity section of the statements of financial position. The cumulative gains or losses will not be reclassified to profit or loss on disposal of the equity instruments, instead, these will be transferred to retained earnings.

The Company's investments in equity instruments which are irrevocably designated at FVOCI at initial recognition are included under this category.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

The Company's investments in private debt securities which are held for trading and preferred equity instruments are classified under this category.

Impairment

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not measured at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Company's financial assets at amortized cost and debt instruments at FVOCI are subject to ECL using general approach. Under this approach, the ECL is based on the 12-month ECL which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in other comprehensive income, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Derecognition

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 has expired;
- the Company retains the right to receive cash flows from the financial 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 financial 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 a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Classification and Measurement

The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost, or (b) financial liabilities at FVPL.

As at March 31, 2026 and December 31, 2025, the Company does not have financial liabilities measured at FVPL.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest 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. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

The Company's insurance contract liabilities, premium deposit fund, insurance payables, loans payable, accounts payable and accrued expenses (excluding statutory payables) and other liabilities are classified under this category.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable 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.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When 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.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees

paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Insurance Contracts

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, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variables.

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 a certain period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if the insurance risk becomes significant.

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

- likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on the following:
 - 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.

Conventional Long-term Insurance Contracts

These contracts ensure events associated with human life (for example, death or survival) over a long duration. Premiums are recognized as revenue when they become payable by the contract holder. Benefits are recognized as expense when they are incurred or when the policies reach maturity.

A liability for contractual benefits that is expected to be incurred in the future is recognized for policies that are in-force as at the reporting date. The liability is determined as the expected future discounted value of the benefit payments that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefit expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, reserve method,

and interest rate approved by the IC.

Reinsurance Contracts

The Company cedes insurance risk in the normal course of business to reinsurers. Balances due from reinsurance companies for its share in benefits and claims of policyholders are recognized as "Due from reinsurers" under "Insurance Receivables" account in the statements of financial position. Amounts due to reinsurers representing their share in premiums are presented under "Insurance payables" account in the statements of financial position.

An impairment review is performed at each reporting date or more frequently when there are indications of impairment during the reporting year. Impairment occurs when there is objective evidence 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.

The Company also assumes reinsurance risk in the normal course of business for life insurance contracts. Premiums and claims on assumed reinsurance are recognized as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Estimating amounts payable is consistent with the provisions of the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Legal Policy Reserves

Legal policy reserves are liabilities for contractual benefits that are expected to be incurred in the future related to policies that are in-force as at the reporting date based on the valuation of an independent appraiser. The liability is calculated as the sum of the present value of future benefits and expenses, less the present value of future net premiums arising from the policy discounted at the appropriate risk-free discount rate. The liability is determined using best estimate assumptions with regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

The Company has different assumptions for different products. However, liabilities for contractual benefits are computed to comply with statutory requirements, which require discount rates to be based on the schedule of spot rates published by IC and mortality and morbidity rates to be in accordance with the standard table of mortality. Reserves are computed per thousand of sum insured and depend on the issue age and policy duration.

Adjustments to the liabilities arising from changes in in-force policies are recorded in "Net change in legal policy reserves" account in profit or loss. Changes in liabilities arising from changes in discount rates are recorded in "Remeasurement gain (loss) on legal policy reserves" account in other comprehensive income.

Policy and Contract Claims

Policy and contract claims are liabilities for unpaid claims and benefits of policyholders as a result of

death of the insured, surrenders and maturities. This also includes cost of claims incurred but not yet reported as at reporting date based on the Company's experience and historical data.

Investment in a Subsidiary

The Company's investment in a subsidiary is accounted for in the financial statements at cost less any impairment in value.

An assessment of the carrying amount of the investments in a subsidiary is performed when there is an indication that these investments are impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investments and their recoverable amount. Impairment loss is recognized in profit or loss.

Property and Equipment

Property and equipment, other than land, buildings and office condominium, are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged against profit or loss during the financial period in which these were incurred.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

The Company's land, buildings and office condominium are stated at revalued amounts based on the valuation of an independent appraiser. Any increase in the value of property and equipment at revalued amounts is recognized under "Revaluation surplus on property and equipment" account in the equity section of the statements of financial position. Any decrease is first offset against an increase on earlier valuation in respect of the same class of property and is thereafter recognized as an expense. Annually, an amount from the revaluation surplus is transferred to retained earnings for the depreciation and related to the revaluation surplus.

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

Upon the disposal of a revalued property, the relevant portion of the revaluation surplus realized in respect of previous valuation is released directly from the revaluation surplus to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Number of years
Buildings and office condominium	10 - 40

Transportation equipment	3 - 5
Office furniture and equipment	2 - 5

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

Fully depreciated assets are retained in the accounts until these are no longer in use and no further charge for depreciation is made in respect of those assets.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs to sell or value-in-use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Premium Deposit Fund

Premium deposit fund pertains to the premium deposits of the policyholders which earn interest at such rates as the Company declares but not less than the lowest interest rate prevailing on savings accounts of banks. The amount of premium deposits of the policyholders shall not exceed the future contractual premiums of the insurance contracts.

If at any premium date, premiums remain unpaid, and provided that the fund balance is sufficient to pay such premiums in full, the premium due shall be paid from this fund.

Equity

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

Additional Paid-in Capital (APIC). When the Company issues shares in excess of par, the excess is recognized as APIC. Incremental costs incurred directly attributable to the issuance of new shares are treated as deduction from APIC.

Retained Earnings. Retained earnings represent the cumulative balance of net income, net of any dividend declaration and prior period adjustments. Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders while appropriated retained earnings represent that portion which has been appropriated and therefore is not available for any dividend declaration.

Other Comprehensive Income. Other comprehensive income comprises items of income and expense (including items previously presented under equity) that are not recognized in profit or loss for the year in accordance with PFRS. Other comprehensive income includes revaluation reserves on investment securities, revaluation surplus on property and equipment, remeasurement gain or loss on legal policy reserves and remeasurement gain or loss on net retirement liability. Other comprehensive income items that will be reclassified subsequently to profit or loss are presented separately from those items that will not be reclassified to profit or loss subsequently.

Revenue Recognition

The company assesses its revenue arrangements to determine if it is acting as principal or as an agent. The company has assessed that it acts as a principal in all of its revenue sources.

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

Premium Income. 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, revenues are recognized at the date when payments are due.

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

Interest Income. For interest-bearing financial instruments classified as financial assets at FVPL, financial assets at FVOCI and financial assets at amortized cost, 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.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

Dividend Income. Dividend income is recognized when the Company's right to receive the payment is established.

Other Income. Other income includes policy issue fees, reversal of denied claims and other income that are recognized in profit or loss when earned.

Benefits, Claims and Expenses Recognition

Benefits and Claims. Benefits and claims consist of benefits and claims incurred during the period and changes in the valuation of legal policy reserves (including incurred but not reported losses). Death

claims and surrenders are recorded on the basis of notifications received. Maturities are recorded when due.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are recognized as expense when incurred.

Commission and Other Direct Expenses. Commissions and other direct expenses are recognized when the insurance contracts are entered and the premiums are recognized.

Insurance Taxes. Insurance taxes pertain to premium taxes and documentary stamp taxes on life insurance policies which are expensed as incurred.

Finance Costs and Charges. Finance costs and charges consist mainly of interest expense and bank charges incurred by the Company. Interest expense is recognized in profit or loss as it accrues and is calculated using the effective interest method. Accrued interest is credited to the liability account every policy anniversary date.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution and other short-term benefits. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has a funded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

Net interest on the net retirement liability or asset is the change during the period in the net retirement 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 retirement liability or asset.

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.

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 retirement asset or liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets on which the liabilities are to be settled directly. The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate and tax laws enacted or substantively enacted at the reporting date.

Final Tax. Final taxes are recognized for taxes paid on certain income payments. These are not creditable to income tax due on income subject to regular corporate income tax (RCIT). The applicable tax rates differ depending on the particular income subject to final tax.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward benefits of net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over the RCIT, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward benefits of NOLCO and excess MCIT over RCIT 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 future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax assets and 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.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the lessee has both of the following:

- The right to obtain substantially the economic benefits from use of the identified asset; and

- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company as a Lessor. Leases where the Company does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease payments are recognized as revenue in profit or loss on a straight-line basis over the lease term. 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.

The Company as a Lessee. At the commencement date, the Company recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of the reporting year. Foreign exchange differences are credited or charged directly to profit or loss.

Related Party Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized but are disclosed in the notes to financial statements unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets

are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Events after reporting date that provide additional information about the Company's financial position at the end of reporting year (adjusting events) are reflected in the financial statements. Events after reporting that are non-adjusting events are disclosed in the notes to financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts of assets, liabilities, income and expenses reported in the financial statements. These are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. 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 estimated amounts. Actual results could differ from such estimates.

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 financial statements.

Identifying the Product Classification. The Company has determined that the policies it issues have significant insurance risk and therefore meets the definition of an insurance contract and are accounted for as such. Insurance contracts are those contracts when the Company has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts also transfer financial risk.

Classifying the Financial Instruments. Classification of financial assets depends on the results of the business model test and "sole payment of principal and interest" test performed by the Company. The Company exercises judgment in determining the business model to be used in managing its financial instruments to achieve their business objectives.

Defining Default and Credit-Impaired Financial Assets. The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- a. Quantitative Criteria - the borrower is more than 1 year past due on its contractual payments, which is consistent with the Company's definition of default.
- b. Qualitative Criteria - The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is experiencing financial difficulty or is insolvent;
- The borrower is in breach of financial covenants;
- Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty; or
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the determination of ECL.

Grouping of the Financial Assets for Measurement of ECL on a Collective Basis. For ECL provisions that are assessed on a collective basis, grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. For loans receivables, debtors are grouped based on the type of loan and debtors' geographical location.

Determining the Lease Commitments - Company as a Lessor. The Company has entered into lease agreements as a lessor on its properties. The Company has determined that it retains the significant risks and rewards of ownership of the leased properties. The leases are therefore accounted for as operating leases.

Determining the Lease Commitments - Company as a Lessee. The Company has lease agreements for its branches and agency offices. The Company has determined that it obtains substantially all of the economic benefits from use of the identified assets and the right to direct the use of such assets. Moreover, the Company assessed that these lease agreements qualify as leases of low value assets or short-term leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Determining the Fair Value of Financial Instruments. The fair values of investments that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

In accordance with the amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures*, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position. The Company uses judgment in assessing the significance of a particular input to the fair value measurements in its entirety, considering factors specific to the asset or liability.

Estimating the Legal Policy Reserves. Reserves are set up as requirement pursuant to the provision and guidelines set by the IC, which should not be less than the reserves required. These are computed using assumptions that are based on the standard mortality and morbidity tables, interest rates, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation as required by the IC.

Estimating the Claims Incurred but not Reported. Provision is made for the cost of claims incurred but not yet reported as at reporting date based on the Company's experience and historical data. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in statements of comprehensive income of subsequent years.

Estimating the Allowance for ECL of Financial Assets at Amortized Cost and Debt Instruments under Financial Assets at FVOCI. The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition, in which case, ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors: (a) actual or expected external and internal credit rating downgrade; (b) existing or forecasted adverse changes in business, financial or economic conditions; and (c) actual or expected significant adverse changes in the operating results of the borrower.

Estimating the Useful Lives of Property and Equipment. The useful life of each of the Company's property and equipment is estimated based on the year over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed at each financial yearend and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. However, it is possible that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation and decrease its carrying amounts.

There were no changes in the estimated useful lives of the Company's property and equipment at cost and revalued amounts in 2025 and 2024.

Determining the Revalued Amount of Property and Equipment. The Company carries certain property and equipment at revalued amounts. The appraised values of land, buildings and office condominium were arrived using the market data approach and cost approach.

With market data approach, the values of the properties are based on sales and listings of comparable properties registered in the vicinity. The technique of this approach requires the establishment of comparable properties by reducing reasonable comparative sales and listings to a common denominator and adjustment of the differences between the subject property and those actual sales and listings regarded as comparable. The comparison was premised on the factors of location, characteristics of the lot, time element, quality and prospective use.

Cost approach is evidenced by the observed condition in comparison with new units of like kind tempered by consideration given to extent, character and utility of the property which is to be continued in its present use as part of a going concern but without specific relation to earnings.

The latest independent property valuation of land, building and office condominium was performed for December 31, 2025 valuation cut-off date.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of these 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 amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Determining such amount requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets.

Determining the Retirement Liability. The determination of the obligation and cost of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and recognized in other comprehensive income, therefore, generally affect the recognized expense and recorded obligation.

Assessing the Realizability of Deferred Tax Assets. The Company's assessment of the recognition of deferred tax assets on deductible temporary differences is based on the Company's past results and future expectations on revenue and expenses. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized.

BENEFICIAL LIFE INSURANCE COMPANY, INC.**TOP FIVE INDICATORS**

Indicator	Interim F/S <u>3/31/2026</u>	Interim F/S <u>3/31/2025</u>	Audited F/S <u>12/31/2025</u>
1. Networth excess / (deficiency) in Php Millions	2,188.44	1,493.62	2,080.93
2. Non admitted assets to admitted assets ratio	16.47%	16.80%	16.24%
3. Claims ratio	64.80%	48.34%	50.48%
4. Underwriting expense ratio	23.40%	37.21%	46.57%
5. Investment income ratio	33.83%	13.94%	24.78%

NETWORTH

Networth per Registrant (in Millions of Pesos)	3,488.44	2,793.62	3,380.93
less: Required network per R.A. 10607	1,300.00	1,300.00	1,300.00
Excess / (Deficiency)	<u>2,188.44</u>	<u>1,493.62</u>	<u>2,080.93</u>

The Registrant computes for its own admitted and non admitted assets and subject to the examination of the Insurance Commission on an annual basis. Compliance is required under Section 194 of Republic Act no. 10607 that the networth be equivalent to P900Million for the years 2019-2021. Effective December 31, 2022, the required networth increased to P1.30Billion. Networth is computed as total admitted assets less total liabilities.

NON-ADMITTED ASSETS TO ADMITTED ASSETS RATIO

Formula: Non-admitted Assets / Admitted assets all results <10%

This ratio measures the degrees to which the company has invested on non-admitted assets, which may represent either non-productive or risky investments, in line with the provisions of the Amended Insurance Code. The usual range for this ratio is 10% and below. On April 8, 2025, the IC issued CL 2025-09 with the subject Omnibus Guidelines on Investments. This CL was applied to the financial reports beginning with March 31, 2025 submissions, which explains the decrease in non-admitted assets to admitted assets ratio, and consequently, the increase in Networth.

CLAIMS RATIO

Formula: Total claims / Total Premiums (net of reinsurance) X 100%

The claims ratio shows what percentage of pay outs are being settled with receipts. As per industry average, for years 2013 to 2015, the usual range falls between 20% to 60%.

UNDERWRITING EXPENSE RATIO

Formula: Underwriting expense (excluding insurance benefits) / Total premiums (net of reinsurance) x 100%

Underwriting expenses are the costs of obtaining new policies. The lower the underwriting expense ratio, the better as this means more profit to the company.

INVESTMENT INCOME RATIO

Formula: Net Investment Income / Total Income x 100%

Insurance companies have two main sources of revenue: premiums from underwriting activities and returns on investment income. Insurance companies invest premiums in order to generate a profit. Insurers invest in a wide array of assets and must balance the desire to earn a higher return through riskier investments with the need to maintain liquidity in order to cover the liabilities associated with claims made against the policies that they underwrite.

Note: With references to letters from IC re: results of submissions of FRF, RBC2 and GPV reports.

BENEFICIAL LIFE INSURANCE COMPANY, INC.
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (Amounts in Php)

Ratio	Formula	Unaudited Interim 3/31/2026	Unaudited Interim 3/31/2025	Audited 12/31/2025
Current Ratio	Total Current Assets	2,997,302,030	3,369,752,026	3,227,141,123
	Divided by: Total Current Liabilities	2,936,686,536	3,081,427,090	3,193,210,361
	Current Ratio	1.02	1.09	1.01
Solvency Ratio	Net Income Before Depreciation and Income Tax Expense	210,822,629	71,402,201	292,905,889
	Divided by: Total Liabilities	6,560,912,154	6,291,276,566	6,653,865,853
	Solvency Ratio	0.03	0.01	0.04
Debt-to-equity Ratio	Total Liabilities	6,560,912,154	6,291,276,566	6,653,865,853
	Divided by: Total Equity	5,463,341,614	4,627,764,784	5,320,174,630
	Debt-to-equity Ratio	1.20	1.36	1.25
Asset-to-equity Ratio	Total Assets	12,024,253,768	10,919,041,350	11,974,040,483
	Divided by: Total Equity	5,463,341,614	4,627,764,784	5,320,174,630
	Asset-to-equity Ratio	2.20	2.36	2.25
Interest Coverage Ratio	Net Income Before Interest and Income Tax Expense	206,720,793	66,519,489	283,064,001
	Divided by: Interest Expense	708,652	931,274	16,460,196
	Interest Coverage Ratio	291.71	71.43	17.20
Return on Equity	Net Income	189,725,446	48,599,083	208,966,947
	Divided by: Average Equity	5,391,758,122	4,565,569,188	4,911,774,110
	Return on Equity	3.52%	1.06%	4.25%
Return on Asset	Net Income	189,725,446	48,599,083	208,966,947
	Divided by: Total Assets	12,024,253,768	10,919,041,350	11,974,040,483
	Return on Asset	1.58%	0.45%	1.75%

BENEFICIAL LIFE INSURANCE COMPANY, INC.
166 Salcedo Street, Legaspi Village
Makati City

**PARTICIPATION VIA REMOTE COMMUNICATION
AND PROCEDURE FOR VOTING *IN ABSENTIA* IN
2026 ANNUAL STOCKHOLDERS' MEETING**

The stockholders of record of Beneficial Life Insurance Company, Inc. (the “Company”) as of 08 June 2026 are entitled to attend, participate, and vote in absentia during the Annual Stockholders’ Meeting (ASM) on June 30, 2026 provided they comply with the following procedure:

I. VOTING IN ABSENTIA

The Company has established a designated website in order to facilitate the registration of and voting *in absentia* by stockholders at the 2026 ASM, as allowed under Sections 23 and 57 of the Revised Corporation Code.

1. Stockholders on record as of 08 June 2026 (the “Stockholder/s”) may register at the following web address: <https://form.jotform.com/benlifemis.com.ph/2026-ASM-registration>
The registration period is from 12:00 o’clock in the afternoon of June 02, 2026 and until 5:00 o’clock in the afternoon of June 29, 2026.
2. Upon registration, Stockholders shall be asked to provide the below-enumerated information and upload the documents listed below (the file size should be no larger than 5MB):
 - a. For individual Stockholders:
 - i. First and Last Name
 - ii. Birthdate
 - iii. Residential Address
 - iv. Mobile Number
 - v. Phone Number
 - vi. Email address
 - vii. Current photograph of the Stockholder (with the face fully visible)
 - viii. Valid government-issued ID
 - ix. For Stockholders with joint accounts:
A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (to be uploaded under Other Documents)
 - b. For corporate/organizational Stockholders:
 - i. First and Last Name of authorized individual
 - ii. Residential Address
 - iii. Mobile Number
 - iv. Phone Number
 - v. Email address
 - vi. Current photograph of the individual authorized to cast the vote for the account (the “Authorized Voter”)
 - vii. Valid government-issued ID of the Authorized Voter
 - viii. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter (to be uploaded under Other Documents)

3. Registration shall be validated by the Office of the Corporate Secretary. Once the Stockholder has been successfully validated, a username and password shall be generated for the Stockholder, which shall be sent to the email address indicated by the Stockholder on the registration form.
4. The registered Stockholder may then proceed to log in on the voting website: (<https://form.jotform.com/benlifemis.com.ph/2026-ASM-polls>) using the username and password provided and cast their votes. All items in the agenda for approval shall be shown one at a time and the registered Stockholder may vote Yes, No, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
5. Once voting on all the agenda items is finished, the registered Stockholder shall be shown a summary of votes cast. The Stockholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. Before submission, the website will prompt the Stockholder to confirm the submission of the ballot.
6. Voting shall be open from June 08, 2026 at 12:00 noon until June 30, 2026 at 5:00 pm.
7. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and an independent third party will validate the results.
8. Stockholders who register and vote on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Company and by any other relevant third party for the purpose of electronic voting *in absentia* for the ASM and for all other purpose for which the Stockholder can cast his/her vote as a stockholder of the Company.

II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Stockholders may attend the meeting on June 30, 2026 via the following link: <https://www.benlife.com.ph/benlife-2026-ASM/>
2. Stockholders who have not sent their proxies or registered on the voting *in absentia* website ("Unregistered Stockholders") may still attend the meeting. Unregistered Stockholders are requested to notify the Company by e-mail to corpsec@benlife.com.ph no later than 5:00 o'clock in the afternoon of June 29, 2026 of their intention to participate in the meeting via remote communication. For validation purposes, Unregistered Stockholders shall also provide the Company the following information in their notification email: (i) complete name; (ii) address; (iii) active phone number; and (iv) valid government-issued ID.
3. For purposes of quorum, only the following Stockholders shall be counted as present:
 - a. Stockholders who have registered and voted online via *voting in absentia* platform before the cut-off time;
 - b. Stockholders who have sent their valid proxies either to the Office of the Corporate Secretary or via email to corpsec@benlife.com.ph before the deadline;
 - c. Stockholders who have notified the Company of their intention to participate in the meeting by remote communication before the deadline;
4. Questions and comments on the items in the Agenda may be sent to corpsec@benlife.com.ph. Questions or comments received on or before 29 June 2026 may be responded to during the ASM.
5. Any questions not answered during the meeting shall be answered via email.