

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **FILINVEST DEVELOPMENT CORPORATION** ("FDC" or the "Corporation") will be conducted virtually on **25 April 2025 (Friday) at 9:00 a.m.**, at which meeting the following matters shall be taken up:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of Minutes of the Annual Stockholders' Meeting held on 26 April 2024
5. Presentation of the President's Report
6. Ratification of the Audited Financial Statements for the year ended 31 December 2024
7. Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the Date of the Last Annual Stockholders' Meeting up to 25 April 2025
8. Election of the Members of the Board of Directors, including three (3) Independent Directors, to serve for 2025-2026
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Stockholders may attend and participate in the meeting only by remote communication, voting *in absentia* and/or appointing the Chairman of the meeting as their proxy. The procedure and requirements for online registration for remote communication and voting *in absentia* are explained in the Information Statement.

Only Stockholders of Record as of 5:00 p.m. of 31 March 2025 shall be entitled to vote at this meeting. Votes cast remotely or *in absentia* should be received by the Corporation on or before 16 April 2025.

Stockholders who wish to vote by proxy shall submit the same on or before 16 April 2025 to the Office of the Corporate Secretary, through Atty. Lindeza R. Rogero-Gavino, located at 6th Floor, The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila, or by email to FDCASM@filinvestgroup.com. 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.

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES.

For your convenience and in accordance with the Notice of the Securities and Exchange Commission dated 12 March 2025 regarding the Alternative Mode for Distributing and Providing Copies of the Notice of Meeting, Information Statement, and Other Documents in connection with the Holding of Annual Stockholders' Meeting for 2025, a copy of the Definitive Information Statement, Management Report, SEC Form 17A, Audited Financial Statements and other pertinent documents will be available for viewing and downloading at the Corporation's website at <https://www.filinvestgroup.com> and in the Philippine Stock Exchange EDGE disclosure system no later than 1 April 2025.

Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be a visual and audio recording of the meeting.

Please be guided accordingly.


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

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

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter: **Filinvest Development Corporation**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **51048**

5. BIR Tax Identification Code: **000 - 053 – 167- 000**

6. Address of principal office: **The Beaufort, 5th Avenue corner 23rd Street, Bonifacio
Global City, Taguig City, Metro Manila**

Postal Code: **1634**

7. Registrant's telephone number, including area code: **(02) 7798 3951**

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

Date: **25 April 2025**

Time: **09:00 a.m.**

Place: **No physical venue**

Online web address for registration for remote participation and voting:

FDC ASM Registration Form 2025

https://shareholders.filinvest.com.ph/FDC_SHAREHOLDERSYSTEM

FDC Ballot Form 2025

https://shareholders.filinvest.com.ph/FDC_ASMVOTING

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

On or before 1 April 2025

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 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	Number of Common Shares of Stock Outstanding	Amount of Debt Outstanding
Common	8,648,462,987	
Bonds Payable (Consolidated)		57,548,657,202

11. Are any or all of registrant's securities listed in a Stock Exchange? **Yes**

Name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common shares

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

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of the Annual Meeting of Stockholders

- (a) The annual stockholders' meeting of **FILINVEST DEVELOPMENT CORPORATION** (the "Company" or "FDC") for the year 2025 is scheduled on **25 April 2025, 09:00 a.m.** through virtual meeting.
- (b) The complete mailing address of the principal office of the Company is at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila.
- (c) This information statement shall be made available to the stockholders on or before **1 April 2025**.

Item 2. Dissenters' Right of Appraisal

A stockholder of the Company has the right to dissent and demand payment of the fair value of his shares in the following instances: (a) 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 or any shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines ("Revised Corporation Code"); (c) in case of investment of corporate funds in any other corporation or business or for any purpose other than the Company's primary purpose; and (d) in case of merger or consolidation.

The stockholder concerned must have voted against the proposed corporate action in order to avail himself of the appraisal right. As provided in the Revised Corporation Code, the procedure in the exercise of the appraisal right is as follows:

- a. The dissenting stockholder files a written demand within thirty (30) days after the date on which the vote was taken in which he registered a negative vote. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof.
- b. If the corporate action is implemented, the Company shall pay the stockholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value is determined by the value of the shares of the Company on the day prior to the date on which vote is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.

- c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the Company, another chosen by the stockholder, and the third one chosen jointly by the two thus chosen). The findings of the majority of the appraisers will be final, and their award will be paid by the Company within thirty (30) days following such award, provided the Company has sufficient unrestricted retained earnings. Upon such payment, the stockholder shall forthwith transfer his shares to the Company. No payment shall be made to the dissenting stockholder unless the Company has unrestricted retained earnings sufficient to cover such payment.
- d. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

There is no matter to be taken up at the annual meeting on 25 April 2025 which would entitle a dissenting stockholder to exercise the right of appraisal.

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

- (a) No director or executive officer of the Company or nominee for election as such director or officer has any substantial interest, direct or indirect, in any matter to be acted upon at the annual stockholders' meeting, other than election to office (in the case of directors).
- (b) Likewise, none of the directors has informed the Company of his opposition to any matter to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) As of **28 February 2025**, the total number of shares outstanding and entitled to vote in the annual stockholders' meeting is **8,648,462,987** common shares. Each share is entitled to (1) one vote in accordance with the By-laws of the Company.
- (b) The record date for purposes of determining the stockholders entitled to notice of and to vote at the annual stockholders' meeting is **31 March 2025**.
- (c) A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: *Provided*, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be elected. The stockholder must be a stockholder of record as of **31 March 2025** in order that he may exercise cumulative voting rights. There are no conditions precedent to the exercise of the stockholders' cumulative voting right.
- (d) Security Ownership of Certain Record and Beneficial Owners and Management

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of the Company as of 28 February 2025 are as follows:

Title of Class of Securities	Name and Address of Record Owner/ Relationship with FDC	Name of Beneficial Owner/ Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	A. L. Gotianun, Inc. ("ALGI") ¹ (formerly ALG Holdings Corporation) 32 nd Floor, Parkway Corporate Center, Corporate Avenue, Filinvest City, Alabang, Muntinlupa City Majority Owner of the Company	Michael Edward T. Gotianun	Filipino	7,587,823,501 (Direct) 61,976,540 (Indirect)	87.74% (Direct) 0.72% (Indirect)
Common	PCD Nominee Corporation (Filipino) G/F, Philippine Stock Exchange Tower Ayala Avenue, Makati City		Filipino	912,953,141	10.56%

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as of the date of the annual report, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the Company's outstanding common stock.

As of 28 February 2025, 0.4% of the total outstanding voting shares of FDC is owned by foreigners.

The names, citizenship, number of shares held and percentage to total of persons forming part of the Management of the Company as of 28 February 2025 as shown in the Public Ownership Report are as follows:

Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common	Jonathan T. Gotianun	12 (D) 263,925 (I)*	Filipino	Negligible

¹ Ms. Lourdes Josephine Gotianun-Yap is typically named by ALGI as its proxy to vote the shares owned and held by it at the annual meeting of stockholders.

Common	Lourdes Josephine Gotianun-Yap	10 (D) 15,582,914 (I)	Filipino	Negligible 0.18%
Common	Michael Edward T. Gotianun	50,501,501 (D) 0 (I)	Filipino	0.58%
Common	Rhoda A. Huang	1 (D) 0 (I)	Filipino	Negligible
Common	Francis Nathaniel C. Gotianun	1 (D) 0 (I)	Filipino	Negligible
Common	Isabelle Therese G. Yap	1 (D) 40,000 (I)	Filipino	Negligible
Common	Virginia T. Obcena	1 (D) 0 (I)	Filipino	Negligible
Common	Marievic Ramos Añonuevo	1 (D) 0 (I)	Filipino	Negligible
Common	Mina C. Figueroa	1 (D) 0 (I)	Filipino	Negligible
N.A.	Ysmael V. Baysa	211,000 (I)	Filipino	Negligible
N.A.	Ven Christian S. Guce	3,400 (I)	Filipino	Negligible
N.A.	Estrella C. Elamparo	0	Filipino	N.A.
N.A.	Lindeza R. Rogero-Gavino	0	Filipino	N.A.

* Includes shares of stock in Filinvest Development Corporation under the names of Berit Holdings Corp., Jabberwock Holdings, Inc. and Chriszen Holdings, Inc.

Total ownership of all directors and officers as a group as of 28 February 2025 is 66,602,768 shares or 0.76% of total outstanding common shares.

No person holds more than 5% of the common stock under a voting trust or similar agreement. There has been no change in control of FDC since the beginning of last year. There were no matters submitted to a vote of the security holders during the fourth quarter of the calendar year covered by this report.

Item 5. Directors and Principal Officers

The members of the Board serve for a term of one (1) year and until their successors shall have been duly elected and qualified. The business experience of the directors and officers of the Company named below covers at least the past five (5) years.

The following are the current directors and executive officers of FDC:

<p>Jonathan T. Gotianun <i>Chairperson of the Board and Director</i></p>	<p>Mr. Gotianun, 71, Filipino, was first elected as Director of FDC on 09 July 1993. He also serves as Chairman of the Board and Directors of Filinvest Land, Inc. and East West Banking Corporation, both publicly-listed companies. He is also the Chairman of the Board of Davao Sugar Central Co., Inc.; Cotabato Sugar Central Co., Inc., and FDC Utilities, Inc. (“FDCUI”) and its subsidiary power companies. He previously served as Director and Senior Vice President of Family Bank & Trust Co. (“Family Bank”) until 1984. He obtained his Master’s</p>
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	Degree in Business Administration from Northwestern University in 1976.
Lourdes Josephine Gotianun-Yap <i>Vice-Chairperson and Director</i>	Mrs. Yap, 69, Filipino, was first elected as Director of FDC on 30 March 1990. She is also the Vice Chairperson of FLI, and a Director of EWBC, all publicly-listed companies. She is the Chairperson of FAI, a Director of FDCUI and in other companies within the Filinvest Group. Mrs. Yap is a trailblazer in the real estate industry, making history as the first female recipient of the Real Estate Personality award at Property Guru's Philippines Property Awards. Her expertise in the field have earned her recognition as a prominent figure who sets the bar high for women in the real estate industry. She holds a Master's Degree in Business Administration from the University of Chicago, which she obtained in 1977.
Rhoda A. Huang <i>President, Chief Executive Officer and Director</i>	Ms. Huang, 62, Filipino, was elected Director of FDC and member of the Executive Committee on July 26, 2023. She was subsequently appointed as President & CEO of the Company effective August 1, 2023. She was the former President of BPI Capital Corporation. Prior to joining BPI Capital Corporation, Ms. Huang was Credit Suisse Philippines Branch Head of Investment Banking, with responsibility for coverage of Philippine corporates, financial institutions, and the sovereign. Her experience also includes 19 years with JPMorgan Chase and its predecessor institutions with responsibility of the firm's major corporate relationships. She brings more than thirty (30) years of experience in investment banking. She completed her bachelor's degree in business administration and accountancy at the University of the Philippines and is a Certified Public Accountant.
Michael Edward T. Gotianun <i>Vice-President and Director</i>	Mr. Gotianun, 67, Filipino, was first elected as a Director of FDC on 24 October 2017. He is also a Director of Filinvest Land, Inc., Filinvest Hospitality Corporation, FDC Utilities Inc. and Filinvest Alabang Inc. He served as the general manager of Filinvest Technical Industries from 1987 to 1990 and as loans officer at Family Bank from 1979 to 1984. He obtained his Bachelor's degree in Business Management from the University of San Francisco in 1979.
Francis Nathaniel C. Gotianun <i>First Senior Vice President and Director</i>	Mr. Gotianun, 41, Filipino, is the First Senior Vice-President of Filinvest Hospitality Corporation, a subsidiary of FDC, the primary purpose of which is to evaluate, plan, develop and optimize potential and current hospitality investments of the Filinvest Group. He serves as a director of Filinvest Mimosa, Inc. and as the President and CEO of The Palms Country Club, Inc. He also serves as a Director of Filinvest Land, Inc. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's in Business Administration degree in IESE Business School – University of Navarra in 2010.
Isabelle Therese G. Yap <i>Director</i>	Ms. Yap, 36, is currently part of FDC's Board and Executive Director and Vice President, Chief Strategy & Transformation

	<p>Officer of East West Banking Corporation. She is also a director of A. L. Gotianun Inc. and Andremerc Inc. A digital native, she helped spearhead the launch of KOMO, a digital banking service under East West Bank. She was in the Management Associate Program at Singapore Telecommunications (SingTel) and worked as a Consultant for McKinsey and Co. She graduated <i>cum laude</i> with a degree in Business Management, double major Finance and Marketing from the Singapore Management University. She holds an MBA Degree from Harvard Business School. She was chosen by the World Economic Forum to be part of the 2023 Class of Young Global Leaders, one of 100 young individuals across the globe focused on driving positive change in their respective fields.</p>
<p>Virginia T. Obcena <i>Lead Independent Director</i></p>	<p>Ms. Obcena, 77, Filipino, was first elected as an independent director of FDC on 29 April 2016. She is also an Independent Director of Filinvest REIT Corp. She was a former member of the Panel of Conciliators of the International Centre for Settlement of Investment Disputes of the World Bank. She served as independent director and head of the Audit Committee of the Capital Markets Integrity Corporation. She was a former partner, member of the management committee and head of quality and risk management at SGV. She obtained her Bachelor of Science in Business Administration degree, Magna cum Laude, at the University of the East and her Master in Business Administration degree at the University of the Philippines. She is a certified public accountant.</p>
<p>Marievic G. Ramos-Añonuevo <i>Independent Director</i></p>	<p>Ms. Añonuevo, 67, Filipino, was elected as an independent director of FDC on 26 April 2024. Ms. Añonuevo was a senior partner at SyCip Salazar Hernandez & Gatmaitan, until her retirement in August 2022. With 40 years of law practice, she has acquired substantial experience advising major local and foreign clients in the fields of banking, project finance, privatization, infrastructure, power and energy, foreign investments, mergers and acquisitions, corporate rehabilitation and restructuring, securities and land acquisition and development. Ms. Añonuevo serves as Corporate Secretary, Trustee and Vice President of Marubeni Scholarship Foundation, Inc. from 1989 to present. She also served as Corporate Secretary and Trustee of Friends of Hope, Inc. from 2012 to 2020. She is also the Corporate Secretary and Trustee of Breaking Free Foundation Inc., whose advocacy is to assist women and children who are victims of domestic violence. She received her Bachelor of Science in Business Economics and Bachelor of Laws degrees from the University of the Philippines and was admitted to the Bar in 1983.</p>
<p>Mina C. Figueroa <i>Independent Director</i></p>	<p>Ms. Figueroa, 68 Filipino, was elected to sit as a third independent director. Ms. Figueroa started her career in Sycip, Gorres, Velayo, and Co. in 1977. She worked from 1979 to 1989 for the treasury department of the Central Bank of the</p>

	<p>Philippines (now Bangko Sentral ng Pilipinas). She joined the Bureau of Treasury as Deputy Treasurer in 2001 and was appointed Treasurer of the Philippines in 2004 where she was responsible for the daily operations of the Philippine Treasury. After her stint with the government, Ms. Figueroa served as consultant to USAID and Credit Suisse (Hongkong), Ltd. in various projects of the government. She served as an independent director of Equicom Savings Bank until 2021. She is currently an independent director for Philippines Ratings Services Corp. and for Credit Suisse Securities (Phils.) Inc. which has ceased operations and is undergoing liquidation. She received her Bachelor of Science in Commerce, Major in Accounting, from the University of Santo Tomas in 1976. She is a Certified Public Accountant.</p>
<p>Ysmael V. Baysa <i>Chief Operations Officer</i></p>	<p>Mr. Baysa, 69, has worked in the consumer sector in the fields of Accounting and Finance. He has a wealth of experience working on the local and international operations of Procter & Gamble (P&G) and Jollibee Foods Corporation (JFC). At P&G, he occupied various local and regional positions, the most notable of which was as Head of its Finance function for the Philippines, Malaysia and Singapore. More recently, he was the Chief Finance Officer of JFC, one of Asia's largest restaurant companies. He graduated with a degree in Bachelor of Science in Business Administration (Accountancy) from Manuel S. Enverga University Foundation in 1976.</p>
<p>Ven Christian S. Guce <i>Treasurer and Chief Finance Officer</i></p>	<p>Mr. Guce, 47, Filipino, is concurrently the Senior Vice-President for the Group Strategy, Strategic Finance, and Special Projects Head. Prior to joining FDC, Mr. Guce was the CFO of Growsari which is the Philippines' leading B2B e-commerce company. He led the completion of Growsari's most recent fund raise which was recognized as the largest fund raise so far for a Philippine start-up. He previously worked with Jollibee Foods Corporation where he led the group's corporate finance, corporate planning, financial planning & analysis, M&A and global treasury functions. Ven successfully led and completed JFC's maiden US dollar bond and Philippine Peso preferred shares issuances. Ven holds post-graduate degrees/certificates in Economics, Supply Chain Management and Finance. Ven finished his Master of Science in Industrial Economics Degree From the University of Asia and the Pacific (Salutatorian), his Bachelor of Arts degree in Economics, with specialization in Quantitative Economics from the same university and a Post Graduate Diploma in Purchasing and Supply Chain Management from the De La Salle University and the Philippine Institute for Supply Management. Ven is currently taking courses in advanced finance and strategy from the Wharton School of the University of Pennsylvania.</p>
<p>Estrella C. Elamparo <i>Compliance Officer and Head of Legal</i></p>	<p>Ms. Elamparo ("Star"), 54 Filipino, is the Compliance Officer and Head of Legal of FDC. She is a lawyer specializing in litigation and disputes, public relations, crisis management and communications, and policy advocacy. She has been recognized</p>

	<p>as one of the Philippines' Top 100 Lawyers in 2021, 2022 and 2023, and was named Woman Lawyer of the Year by Asian Legal Business South East Asia Law Awards in 2017. She is a professor at the San Beda Graduate School of Law and a columnist for The Daily Tribune. Atty. Elamparo has held several senior positions in both the private and public sectors, including Senior Partner and Head of Commercial and Criminal Litigation at Divina Law, and Senior Vice-President and Chief Legal Counsel at the Government Service Insurance System. She is also a certified Securities Specialist and Certified Treasury Specialist. Atty. Elamparo holds a Bachelor of Laws degree from the University of the Philippines and a Master of Arts degree in Health Care Ethics and Law from the University of Manchester as a Chevening Scholar.</p>
<p>Lindeza R. Rogero-Gavino <i>Corporate Secretary and Corporate Information Officer</i></p>	<p>Ms. Rogero-Gavino, 55, Filipino, was appointed as FDC's Corporate Secretary and Corporate Information Officer on January 25, 2023. Prior to joining FDC, she served as the Corporate Secretary & Compliance Officer of the Philippine Postal Corporation. She was previously the Director of the Cebu Extension Office of the Securities & Exchange Commission. She obtained her Bachelor of Arts degree major in Economics from the University of San Carlos in Cebu and her Bachelor of Laws degree from the University of the Philippines Diliman.</p>

A certification that none of the above-named directors and officers works in the government is attached hereto as **Annex "A"**.

The members of the board committees, pursuant to appointments made during the organizational meeting of the Board of Directors of the Company on 26 April 2024, are as follows:

<p>Executive Committee</p>	<p>Chairperson: Jonathan T. Gotianun Members: Lourdes Josephine Gotianun-Yap Michael Edward T. Gotianun Francis Nathaniel C. Gotianun Rhoda A. Huang</p>
<p>Audit and Risk Management Oversight Committee</p>	<p>Chairperson: Virginia T. Obcena (Independent Director) Members: Mina C. Figueroa (Independent Director) Lourdes Josephine Gotianun-Yap Jonathan T. Gotianun Marievic G. Ramos- Anoñuevo (Independent Director)</p>
<p>Compensation Committee</p>	<p>Chairperson: Lourdes Josephine Gotianun-Yap Members: Jonathan T. Gotianun Marievic G. Ramos- Anoñuevo (Independent Director)</p>

<p>Corporate Governance Committee</p>	<p>Chairperson: Marievic G. Ramos-Anoñuevo (Independent Director) Members: Virginia T. Obcena (Independent Director) Mina C. Figueroa (Independent Director)</p>
<p>Related-Party Transaction Committee</p>	<p>Chairperson: Mina C. Figueroa (Independent Director) Members: Virginia T. Obcena (Independent Director) Marievic G. Ramos-Anoñuevo (Independent Director)</p>

Nomination and Selection of Directors

The directors of FDC are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been duly appointed or elected and qualified. Officers are appointed by the Board of Directors typically at its first meeting following the Annual Stockholders' Meeting, each to hold office until his successor shall have been duly appointed and qualified.

There will be an election of the members of the Board during the Annual Stockholders' Meeting. The stockholders of the Company may nominate individuals to be members of the Board of Directors.

The Corporate Governance Committee, convened as the Nominations Committee, received the nominations for directors submitted by the stockholders. The Corporate Governance Committee met to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in the Company's Revised Manual of Corporate Governance ("Revised Manual"), Securities Regulation Code, and SEC Memorandum Circular No. 09, Series of 2011 as amended by SEC Memorandum Circular No. 04, Series of 2017. The Corporate Governance Committee then prepared a Final List of Candidates enumerating the nominees who passed the screening based on the following:

Qualifications

1. He is a holder of at least one (1) share of stock of FDC;
2. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
3. He shall be at least twenty-one (21) years old;
4. He shall have proven to possess integrity and probity; and
5. He shall be assiduous.

Permanent Disqualifications

The following shall be permanently disqualified for election as director:

1. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;

2. Within the tenure, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;
3. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
4. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
5. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
6. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
7. Within five (5) years prior to the election or appointment, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission;
8. Within the tenure, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission;
9. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the RCC;
10. Within the tenure, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the RCC; or
11. Within five (5) years prior to the election or appointment, or within the tenure, the director, trustee or officer was found administratively liable, by final judgment, for refusal to allow the inspection and/or reproduction of corporate records.

Temporary Disqualifications

The following shall be grounds for the temporary disqualification of a director:

1. Refusal to fully disclose the extent of his business interests as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
2. Absence or non-participation for whatever reason/s in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12)-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
3. Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
4. Being under preventive suspension by the Company;

5. If the independent director becomes an officer or employee of FDC, he shall be automatically disqualified from being an independent director; and
6. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.

Nominated Directors for 2025-2026

The Corporate Governance Committee, acting as the Nomination Committee of the Board of Directors of FDC has determined that the following individuals possess all the qualifications and none of the disqualifications for directorship set out in FDC's Revised Manual on Corporate Governance. The list of the nominees for directors as determined by the Corporate Governance Committee shall be final and no other nominations shall be entertained or allowed after the final list of nominees is prepared.

Below is the final list of candidates prepared by the Corporate Governance Committee and the following individuals have been nominated for election/re-election as directors, including independent directors, at the Annual Stockholders' Meeting on 25 April 2025:

1. Jonathan T. Gotianun
2. Lourdes Josephine Gotianun-Yap
3. Rhoda A. Huang
4. Francis Nathaniel C. Gotianun
5. Michael Edward T. Gotianun
6. Isabelle Therese G. Yap
7. Virginia T. Obcena (Independent Director)
8. Marievic G. Ramos-Añonuevo (Independent Director)
9. Mina C. Figueroa (Independent Director)

Being the current directors for 2024-2025, the qualifications of the nominees for the Board of Directors of FDC for 2025-2026 are discussed on pages 7 to 10 of this Information Statement.

There are six (6) non-independent directors and three (3) independent directors being nominated.

Independent Directors

The Corporate Governance Committee, upon nomination by Mr. Luis L. Fernandez and following the guidelines provided under FDC's Revised Manual on Corporate Governance and pursuant to SEC Memorandum Circular No. 09, Series of 2011, named Ms. Virginia T. Obcena, Atty. Marievic G. Ramos-Añonuevo, and Ms. Mina C. Figueroa as nominees for re-election/election as independent directors for this year's annual meeting. Mr. Fernandez is not related, whether by affinity or consanguinity, to any of these nominees.

Ms. Virginia T. Obcena has reached the maximum nine (9)-year term as Independent Director for FDC. The extension of her term is being proposed, pursuant to the Corporate Governance Code (SEC Memorandum Circular 19 series of 2016), which allows a company to retain an Independent Director who already served nine (9) years upon meritorious justifications provided that the same is approved by the company's Board and shareholders. Ms. Obcena's extensive experience as a Certified Public Accountant brings invaluable financial expertise, and continues to be an asset for FDC, thereby ensuring strong governance and fiscal responsibility. Given this,

the Board on 19 March 2025 approved Ms. Obcena's nomination. She shall be presented further to the shareholders in the next annual shareholders' meeting for the latter's approval of her election to the Board.

The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Revised Manual on Corporate Governance and SEC Memorandum Circular No. 09, Series of 2011. In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Company are attached hereto as **Annexes "B", "B-1" and "B-2"**.

Before the annual meeting, a stockholder of the Company may nominate individuals to be independent directors, taking into account the following guidelines set forth in the Company's Revised Manual on Corporate Governance:

"Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

1. Is not a director or officer or substantial stockholder of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
2. Is not a relative of any director, officer or substantial stockholder of the Company, any of its related companies or any of its substantial stockholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
3. Is not acting as a nominee or representative of a substantial stockholder of the Company, any of its related companies or any of its substantial stockholders;
4. Has not been employed in any executive capacity by the Company, any of its related companies or by any of its substantial stockholders within the last two (2) years;
5. Is not retained as professional adviser by the Company, any of its related companies or any of its substantial stockholders within the last two (2) years, either personally or through his firm;
6. Has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial stockholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial stockholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.

When used in relation to FDC subject to the requirements above:

"Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and

"Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

An Independent Director of FDC shall have the following qualifications:

1. He shall have at least one (1) share of stock of FDC;
2. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FDC for at least five (5) years;
3. He shall possess integrity/probity; and
4. He shall be assiduous.

An independent director shall be disqualified during his tenure under the following instances or causes:

1. He becomes an officer or employee of FDC, or becomes any of the persons enumerated under item (A) hereof;
2. His beneficial security ownership exceeds 10% of the outstanding capital stock of FDC;
3. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member; and
4. If he becomes disqualified under any of the grounds stated in FDC's Revised Manual on Corporate Governance.

Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines on the term limit of independent directors shall be observed in the qualification of individuals to serve as independent directors:

1. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
2. An independent director shall serve for a maximum cumulative term of nine (9) years;
3. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
4. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
5. The reckoning of the cumulative nine-year term is from 2012.

Both Ms. Figueroa and Ms. Ramos-Añonuevo were first elected as independent directors on 26 April 2024. Therefore, both are qualified to be nominated and elected as independent directors until 2033. On the other hand, Ms. Virginia T. Obcena has reached the maximum nine (9)-year term as independent director for FDC, and her nomination for re-election is for meritorious justification pursuant to the Corporate Governance Code (SEC Memorandum Circular 19 series of 2016). Therefore, she is also qualified to be nominated and elected as independent director for the year 2025-2026.

The Corporate Governance Committee receives nominations for independent directors as may be submitted by the stockholders. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with the provisions of the Company's Revised Manual and the Amended By-laws consistent with Rule 38 of the Securities Regulation Code. SEC approved the Amended By-laws of the Company incorporating the provisions of SRC Rule 38, as amended, on 14 May 2010.

It shall be the responsibility of the Chairperson of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairperson of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Other Significant Employees

FDC considers all its employees significant to the growth of the Company.

Family Relationships

Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun, and Ms. Lourdes Josephine Gotianun-Yap are siblings. Mr. Francis Nathaniel C. Gotianun is the son of Mr. Jonathan Gotianun and the nephew of Mr. Michael Edward T. Gotianun and Ms. Lourdes Josephine Gotianun-Yap. Ms. Isabelle Therese G. Yap is the daughter of Ms. Lourdes Josephine Gotianun-Yap and the niece of Messrs. Jonathan T. Gotianun and Mr. Michael Edward T. Gotianun. All of them are current members of the Board of Directors of the Company.

Other than the foregoing, there are no other family relationships known to the Company.

Item 6. Executive Compensation

Filinvest Development Corporation (FDC) aims to attract, motivate, and retain high-performing executives to sustain its industry leadership. The officers receive performance-based remuneration, tied to the officers' contributions to the Company. Below are the compensation details for FDC's directors and key executives.

The aggregate compensation paid or incurred during the last two (2) fiscal years and the estimate for this year are as follows:

(1) President and four (4) most highly compensated executive officers

in million pesos	Year	Annual Compensation	Other Annual Compensation
President and four	2025 (estimate)	102.38Mn	none
	2024	99.82Mn	none

(4) most highly compensated executive officers	2023	90.57Mn	none
Year	Name		Position/Title
2024	Rhoda A. Huang		President and Chief Executive Officer
	Ysmael V. Baysa		Chief Operating Officer
	Ven Christian S. Guce		Treasurer and Chief Finance Officer
	Perdasille C. Mesina		Shared Services Head
	Sheriben Marie D. Paraguas		HR Strategy & COE Head

The above compensation includes the usual bonus paid to the corporation's officers. Except for salaries, allowances, retirement benefits provided under FDC's retirement plan, there is no separate stock option, stock warrant or other security compensation arrangement between FDC and its individual officers.

(2) Compensation of Directors and Officers as a Group

in million pesos	Year	Salary Bonuses	Other Annual Compensation
Aggregate Officers (from senior vice presidents) & Directors	2025 (estimate)	105.87Mn	none
	2024	135.37Mn	none
	2023	93.52Mn	none

The above table contains the details of the compensation of directors and officers of FDC. In view of possible security risks, FDC opted to disclose these on an aggregate basis as a group. Non-executive directors and/or independent directors receive a per diem of Php 100,000.00 for every Board meeting attended and Php50,000.00 for every Board committee meeting attended. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments. While being non-executive directors, Jonathan T. Gotianun, Lourdes Josephine Gotianun Yap, and Isabelle Gotianun-Yap do not receive per diem in their capacity as directors of the Company and members of the board committees. Executive directors Rhoda A. Huang, Michael Edward T. Gotianun and Francis Nathaniel C. Gotianun do not receive per diem in their capacity as directors of the Company and members of the board committees.

Total compensation received by the non-executive directors and/or independent directors for the year 2024 is Php1,900,000. for their attendance in meetings of the Board and Board Committees.

Other than as discussed in the Information Statement, there are no other existing arrangements for the payment of compensation or remuneration to the directors in their capacity as such, but the Company may, without any obligation, grant additional compensation if certain performance driven goals are met, subject to such approvals as may be required by law.

Board Evaluation and Assessment

To ensure board effectiveness and optimal performance, the Board shall conduct annual performance evaluations of the Board of Directors, its individual members and board committees. Through the self-assessment and evaluation process, directors identify areas for improvement, such as:

1. Diversity of the board composition;
2. The frequency and conduct of meetings;
3. The timeliness and completeness of materials and information provided to them;
4. Directors' access to Management;
5. Orientation for new directors and continuing education and training for existing directors.

The criteria for Board self-assessment are:

1. Collective Board Rating
 - a. Board Composition
 - b. Board Meetings and Participation
2. Individual Self-Assessment
 - a. Individual Performance
 - b. Attendance of Board and Committee Meetings (please see **Annex "C"**)
3. Board Committees Rating
 - a. Executive Committee
 - b. Corporate Governance Committee
 - c. Audit and Risk Management Committee
 - d. Compensation Committee
 - e. Related Party Transaction Committee
4. Comments and Suggestions

Involvement in Certain Legal Proceedings

The Company is not aware of any legal proceedings where its directors or executive officers have been impleaded in their capacity as such directors or executive officers of the Company.

The Company is not aware of the occurrence of any of the following events within the past five (5) years up to the date of this information statement: (a) any bankruptcy petition filed by or against any business in which any of its directors or officers was a general partner or officer either at the time of the bankruptcy or within two (2) years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, of, or any criminal proceeding, domestic or foreign, pending against, any of its directors or officers in his capacity as such

director or officer of the Company; (c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of its directors or officers in his/her capacity as director or officer of the Company in any type of business, securities, commodities or banking activities, and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization that any of its directors or officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which occurred during the past five (5) years.

Certain Relationships and Related Transactions

The Group has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.

The approval process for all Related Party Transactions ("RPTs") are embodied in the Related Party Transaction Policy (the "Policy") approved and adopted by the Board on 25 October 2019.

All RPTs, as may be deemed necessary by Management, shall be subject to the presentation and approval by the Related Party Transaction and Corporate Governance Committee (the "Committee").

The transactions with related parties for the year ended December 31, 2024 shall be discussed in the Company's 2024 Audited Financial Statements.

Item 7. Independent Public Accountants

The auditing firm of Sycip, Gorres, Velayo & Co. ("SGV & Co.") is the current independent auditor of the Company. The Company has not had any disagreement with SGV & Co. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The Company, in compliance with SRC Rule 68(3)(b)(iv) relative to the seven-year rotation requirement of its external auditors has designated Mr. Martin Guantes as its engagement partner starting CY 2024. Thus, Mr. Guantes is qualified to act as such until the year 2031.

The Audit and Risk Management Oversight Committee recommended to the Board the re-appointment of SGV as the Company's external auditor for the year 2025 and the fixing of the audit fees. Said recommendation was approved by the Board on 19 March 2025 and will be presented for approval and ratification at the scheduled Annual Stockholders' Meeting.

The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

Under the Charter of the Audit and Risk Management Oversight Committee, the Committee reviews the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit. The Revised Manual on Corporate Governance provides that the Committee shall pre-approve all audit plans, scope and frequency before the conduct of external audit.

The Committee also evaluates the performance of the external auditors and exercises final approval on the appointment or discharge of the auditors. The Committee further reviews the independence of the external auditors and meets with the latter separately to discuss any matters that either party believes should be discussed privately.

The Audit and Risk Management Oversight Committee will discuss the re-appointment of SGV as the Company's external auditor for the year 2025-2026 in its next meeting and will thereafter endorse the same for the approval of the Board of Directors and shareholders.

Item 8. Compensation Plan

There is no action to be taken at 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 matters or actions concerning authorization or issuance of securities will be taken up during the meeting.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up at the annual stockholders' meeting with respect to the modification of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

(a) Information Required

(1) Financial Statements

The audited financial statements of FDC for the year ended 31 December 2024 is attached herewith as **Annex "D"** to form an integral part hereof.

FDC's external auditors, SGV & Co. are expected to be present at the 25 April 2025 stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to questions.

(2) Management's Discussion and Analysis, or Plan of Operations

The Management's Discussion and Analysis, or Plan of Operations is attached herewith as **Annex "E"** to form an integral part hereof.

(3) Legal Proceedings

The Company is subject to lawsuits and legal actions in the ordinary course of its real estate development and other allied activities. However, the Company does not believe that any such lawsuits or legal actions will have a significant impact on the financial position² or result of operations of the Company. Noteworthy are the following cases involving the Company's subsidiary, FDC Misamis Power Corporation ["FDCMPC"]:

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

On 18 November 2022, FDCMPC filed a civil case for collection of sum of money (with claims for attorney's fees and costs of suit) against FIBECO, in connection with the latter's failure to pay its obligations under the Electric Power Purchase Agreement (EPPA) dated 4 February 2013 (including subsequent amendments to the EPPA), amounting to Php1,370,504,141.71 as of 5 October 2022.

The case has already undergone initial Pre-Trial and Judicial Dispute Resolution. Notably, after the case was filed, FIBECO has paid FDCMPC the amount of Php934M.

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken at the annual stockholders' meeting with respect to any merger or consolidation involving FDC, the acquisition by FDC of another entity, going business or of all of the assets thereof, the sale or other transfer of all or any substantial part of the assets of FDC, or the liquidation or dissolution of FDC.

Item 13. Acquisition or Disposition of Property

No action will be taken at the annual stockholders' meeting with respect to any acquisition or disposition of property by FDC requiring the approval of the stockholders.

Item 14. Restatement of Accounts

No action will be taken at the annual stockholders' meeting with respect to any restatement of any asset, capital or surplus account of FDC.

² Materiality, for purposes of reporting cases and determining whether it will affect the Company's financial condition, is based on risk exposure with value to at least five percent (5%) of the Company's total assets as reported in its latest available Audited Financial Statement (AFS).

- (1) There has been no change during the two most recent fiscal years or any subsequent interim period in the independent accountant who was previously engaged as principal accountant to audit FDC's financial statements.
- (2) There has been no disagreement with FDC's independent accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Information on Independent Accountant

(a) Audit and Audit-Related Fees

1. The aggregate fees billed to the Group, including associate and joint ventures, for professional services rendered by the external auditor for the examination of the annual financial statements amounted to Php22.4 million and Php21.6 million, net of VAT in 2024 and 2023, respectively.
2. In 2024, additional fees of the external auditor for FDC and a subsidiaries' bond issuance and other advisory services within the Group amounted to Php10.1 million and Php2.6 million, respectively. In 2023, additional fees of the external auditor for one of FDC's subsidiaries' bond issuance and other advisory services amounted to Php8.2 million.

(b) Tax Fees

The fees billed to the Group for tax services which pertained to compliance review amounted to Php0.7 million and Php0.2 million in 2024 and 2023, respectively.

(c) All Other Fees

There are no other fees billed in each of the last 2 years for products and services provided by the external auditor, other than the services reported under items mentioned above.

The Audit and Risk Management Oversight Committee, based on the recommendation by the Internal Audit and Management, evaluates the need for such professional services and approves the engagement and the fees to be paid for the services.

(d) Approval Policies and Procedures of the Management / Audit and Risk Management Oversight Committee for Independent Accountant's Services

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit and Risk Management Oversight Committee, with inputs from the Management of the Company, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards. Thereafter, the Audit and Risk Management Oversight Committee makes the appropriate recommendation to the Board of Directors of the Company.

Information on the General Nature and Scope of the Business of FDC and its Subsidiaries/Affiliates

Filinvest Development Corporation (FDC) was incorporated in the Philippines on April 27, 1973, building on businesses that the Gotianun Family had established since 1955. The company started by financing second-hand cars on a small scale but soon expanded into consumer finance in partnership with foreign institutions like Chase Manhattan Bank, Westinghouse Electric Corporation, and Ford Philippines. By the early 1980s, FDC's predecessor, Filinvest Credit Corporation, had become one of the top consumer finance companies in the Philippines. Over time, the Filinvest name became well-known not only in financing and banking but also in real estate development and other lines of business.

Established in Real Estate

In 1967, the Gotianun Family entered the real estate business with the establishment of Filinvest Realty Corporation, which developed residential subdivisions. In 1984, the family consolidated its real estate interests in FDC after divesting its shares in Family Bank and Trust Company and the Insular Bank of Asia and America. By 1990, FDC expanded its product line to include low-cost and medium-cost housing units' construction and sale. The product line was further expanded to include commercial districts, leisure projects like farm estates and sports clubs, and construction of residential and office condominiums.

Filinvest Land Inc. (FLI) was incorporated on November 24, 1989, as Citation Homes, Inc. and changed its name to FLI on July 12, 1993. It began commercial operations in August 1993 after FDC spun off its real estate operations and transferred all related assets and liabilities to FLI in exchange for shares of FLI. FLI shares were listed on the Philippine Stock Exchange (PSE) on October 25, 1993. FDC remains FLI's largest shareholder. Today, FLI is one of the largest property developers in the country. It has projects in various locations, including Metro Manila, Cebu, Davao, Iloilo, Batangas, Cavite, Laguna, and Pampanga, among others.

On August 25, 1993, Filinvest Alabang Inc. was incorporated to spearhead the joint development of Filinvest City in Alabang, Muntinlupa City. This marked a significant turning point for FDC and its subsidiaries as the group began to focus on central business district development. The successful development of Filinvest City enabled the Filinvest Group to venture into various sectors, including retail, office, high-rise residential, and leisure club development.

Back to Banking and Diversification

In 1994, the Group decided to re-enter the banking and financial services business based on the Philippine economy's strengthening fundamentals and the Gotianun family's prior experience in this business in the 1970s and 1980s. FDC incorporated East West Banking Corporation (EW or the Bank) in March 1994. On May 7, 2012, EW was publicly listed on the PSE.

To diversify its business and position, FDC acquired 100% of the issued and outstanding shares of Pacific Sugar Holdings Corporation (PSHC) from A.L. Gotianun, Inc. (ALGI) on June 29, 2007. PSHC owns three (3) Mindanao-based sugar companies, Davao Sugar Central Company, Inc. (DSCC), Cotabato Sugar Central Company, Inc. (CSCC), and High Yield Sugar Farms Corporation (HYSFC).

In 2009, the Group re-entered the power generation business through FDC Utilities, Inc. (FDCUI), which operates a 405-megawatt power plant with circulating fluidized bed clean coal technology in the Philippine Veterans Investment Development Corporation (PHIVIDEC) Industrial Estate, Villanueva, Misamis Oriental, Mindanao.

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

The Group also signed a joint venture agreement with Japanese company HAQT to establish Filinvest-Hitachi Omni Waterworks, Inc. (FLOW) to tap into the latest developments in water technology such as desalination.

Promoting Filipino Hospitality

The Filinvest Group is a diversified conglomerate that also specializes in the development, operation, and management of hotels and resorts to cater to a diverse range of market segments. In 2008, FDC entered a joint venture with Archipelago International Pte. Ltd (AIPL) and established Chroma Hospitality, Inc. (Chroma) to oversee and operate the Group's hospitality projects. FDC owns 60% and AIPL owns 40% of Chroma. In August 2011, FDC formed Filinvest Hospitality Corporation (FHC), which is now a wholly owned subsidiary. FHC serves as the primary owners' representative of the Group-owned properties.

In April 2018, the Philippine Amusement and Gaming Corporation (PAGCOR) awarded a provisional gaming license to Mimosa Cityscapes, Inc. (MCI). As a result, the Filinvest Group plans to expand its hospitality offerings by including an integrated resort and casino within the Filinvest Mimosa+ Leisure City development.

Contributing to Progress

As part of its commitment to be an active partner in nation-building, FDC entered into a 25-year concession agreement for the operations and maintenance of Clark International Airport in January 2019. The project was awarded to Luzon International Premier Airport Development (LIPAD), a consortium composed of FDC, JG Summit Holdings Inc., Philippine Airport Ground Support Solutions Inc., and Changi Airports Philippines (I) Pte. Ltd., a wholly owned subsidiary of Changi Airports International. With vast experience in property development, FDC is expected to leverage its expertise to contribute to the development of the airport's surrounding areas.

In October 2019, FAI signed a joint venture agreement with Japanese company Mitsubishi Corporation (MC) for the development of a P15-billion multi-tower mixed-use complex within Filinvest City. Mitsubishi will have a 40% stake in the development of a 1.7-hectare prime lot that is seen to bolster mixed-use GLA by approximately 183,000 square meters.

With more than 50 years of experience in industries that have weathered financial crises, market downturns, and political upheavals, the Filinvest Group has proven to be a robust and resilient business. The Group has carefully built and nurtured a distinguished performance record in the real estate development and banking and financial services, which was recognized

by international bankers, fund managers, other global institutional investors, and the international financial community.

FDC's consolidated revenues are generated from real estate development and leasing, hospitality operations, banking and financial services, power and utility operations, sugar cane farming, milling and sugar trading, from subsidiaries, associate, and jointly controlled entities engaged in various business activities, namely:

Real Estate	Date of Incorporation
Filinvest Land, Inc. (FLI)	November 24, 1989
Filinvest Alabang, Inc. (FAI)	August 25, 1993
Filinvest Asia Corporation (FAC)	January 22, 1997
Festival Supermall, Inc. (FSI)	March 21, 1997
Home Pro Realty Marketing, Inc. (Homepro)	March 25, 1997
Property Maximizer Professional Corp. (Promax)	October 3, 1997
SJR Developers Inc.	February 16, 1998
FSM Cinemas, Inc. (FSM Cinemas)	April 23, 1998
Northgate Convergence Corporation	October 14, 1999
Filinvest REIT Corp. (formerly, Cyberzone Properties, Inc.)	January 14, 2000
Proplus, Inc.	February 16, 2000
Pro-Excel Property Managers, Inc. (Pro-Excel)	November 28, 2001
Property Specialist Resources, Inc. (Prosper)	June 10, 2002
Leisurepro, Inc. (Leisurepro)	April 21, 2004
Timberland Sports and Nature Club, Inc. (TSNC)	May 12, 2004
Niyog Property Holdings, Inc.	September 13, 2005
Gintong Parisukat Realty and Development, Inc. (GPRDI)	August 18, 2006
Filinvest AII Philippines, Inc. (FAPI)	September 25, 2006
Cajel Realty Corporation	February 29, 2008
Filinvest Cyberparks, Inc. (FCI)	February 4, 2014
Philippine DCS Development Corporation (PDDC)	July 31, 2015
FCGC Corporation (FCGCC)	February 11, 2016
Filinvest BCDA Clark, Inc. (FBCI)	March 16, 2016
Filinvest Mimosa, Inc. (FMI)	March 31, 2016
ParkingPro, Inc. (PPI)	July 15, 2016
Filinvest Lifemalls Corporation (FLC)	July 26, 2016
Dreambuilders Pro, Inc. (DPI)	January 11, 2017
Filinvest Clark Mimosa, Inc. (FCMI)	January 23, 2017
Filinvest Lifemalls Mimosa, Inc. (FLMI)	January 23, 2017
Property Leaders International Limited (BVI) (PLIL)	February 7, 2017
Proleads Philippines, Inc. (Proleads)	March 29, 2017
Realpros Philippines, Inc. (RPI)	August 3, 2017
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	November 20, 2017
Nature Specialists, Inc. (NSI)	August 24, 2018
ProOffice Work Services, Inc. (PWSI)	March 18, 2019
ProMixers Aggregates Corp. (PMAC)	October 11, 2019
Spectrum Alabang Properties, Inc. (SAPI)	December 16, 2019
FREIT Fund Managers, Inc. (FREITFM)	April 13, 2021
Co-Living Pro Managers Corp. (CPMC)	August 2, 2021
OurSpace Solutions, Inc. (OSSI)	May 26, 2022

Hospitality Operations	Date of Incorporation
Filinvest Hospitality Corporation (FHC)	November 08, 2008
Mactan Seascapes Services, Inc. (MSSI)	July 17, 2009
Chroma Hospitality, Inc. (CHI)	August 22, 2011
Quest Restaurants, Inc. (QRI)	March 12, 2012
Entrata Hotel Services, Inc. (EHSI)	November 28, 2012
Boracay Seascapes, Inc. (BSI)	December 28, 2012
Filinvest Culinary Ventures, Inc. (Formerly: Chinatown Cityscapes Hotel, Inc.) (FCVI)	March 22, 2013
Duawon Seascapes Resort, Inc. (DSRI)	April 12, 2013
Mimosa Cityscapes, Inc. (MCI)	May 13, 2016
Baker J Concepts, Inc. (formerly Cubao Cityscapes, Inc.)	February 09, 2017
Princesa Seascapes, Inc. (PSI)	June 6, 2017
Dumaguete Cityscapes, Inc. (DCI)	November 27, 2017
Fora Services, Inc. (FOSI)	August 24, 2018
Fora Restaurants, Inc. (FRI)	August 24, 2018
Zamboanga Cityscapes, Inc. (ZCI)	January 21, 2019
Dauin Seascapes, Inc. (DSI)	September 09, 2019
Baguio Mountainscapes, Inc. (BMI) (formerly, Cebu IT Park Cityscapes, Inc.)	March 12, 2020
Gensan Cityscapes, Inc. (GCI)	March 12, 2020
Hospitality Enterprise Resources Corporation (HERC)	June 3, 2022

Banking and Financial Services	Date of Incorporation
EWBC	March 22, 1994
East West Rural Bank, Inc. (EWRB)	November 05, 1997
FDC Ventures, Inc. (formerly, FDC Forex Corporation)	February 17, 1997
Quest Marketing and Integrated Services, Inc. (QMIS)	July 17, 2007
Assurance Solutions Insurance Agency, Inc. (ASIA)	February 29, 2012
East West Insurance Brokerage, Inc. (EWIB)	July 06, 2015
East West Ageas Life Insurance Corporation (EW Ageas Life)	October 20, 2015
East West Leasing and Finance Corporation (EWLFC)	October 06, 2016

Power Operations	Date of Incorporation
FDC Utilities, Inc.	December 04, 2009
FDC Retail Electricity Sales Corporation	November 16, 2009
FDC Misamis Power Corporation	November 16, 2009
FDC Water Utilities, Inc.	March 10, 2011
FDC Green Energy, Corp. (FDC Camarines Power Corporation)	March 23, 2011
FDC Casecnan Hydro Power Corporation	March 23, 2011
FDC Negros Power Corporation	May 22, 2012
FDC Renewables Corporation	July 17, 2012
Filinvest-ENGIE Renewable Energy Enterprise, Inc. (FREE)	November 22, 2018

Water Operations	Date of Incorporation
-------------------------	------------------------------

FDC Water Utilities, Inc.	March 10, 2011
FDC Water-FLOW Marigondon, Co. Inc.	September 14, 2021
FDC Water-FLOW SRP, Co. Inc.	September 14, 2021
FDC Water-FLOW Talisay, Co. Inc.	September 14, 2021
Countrywide Water Services, Inc. (CWSI)	May 18, 2012
Filinvest-Hitachi Omni Waterworks, Inc. (FLOW)	October 29, 2019

Sugar Operations	Date of Incorporation
Davao Sugar Central Company, Inc. (DSCCI)	October 04, 1968
Pacific Sugar Holdings Corporation (PSHC)	June 05, 1989
High Yield Sugar Farms Corporation (HYSFC)	June 08, 1990
Cotabato Sugar Central Company, Inc. (CSCCI)	March 13, 2002

Others	Date of Incorporation
Filinvest Business Services Corporation (formerly Corporate Technologies Incorporated)	September 11, 1998
Filinvest Development Cayman Islands (FDCI)	March 12, 2013
Luzon International Premiere Airport Development Corp. (LIPADC)	February 11, 2019
Professional Operations and Maintenance Experts Incorporated (PROMEI)	July 4, 2019
Investree Philippines Inc.	March 6, 2020
Filinvest International Pte. Ltd. (formerly, Halo Halo Hospitality Pte. Ltd.)	May 4, 2020
f(dev) Digital Innovations and Ventures, Inc.	October 19, 2020
SharePro, Inc.	November 10, 2020
Qwote Marketplace Technologies, Inc.	July 8, 2021
Corptech Network Communities, Inc.	August 13, 2021
ProActive Professionals Corp.	August 9, 2023
Filinvest Infra-Solutions Ventures, Inc.*	January 13, 2024
*new corporation	

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- (1) *Approval of the minutes of the annual meeting of stockholders held on 26 April 2024, hereto attached as **Annex “F”***

Rationale: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.

The minutes of the meeting held on 26 April 2024 can be viewed at the Company website, <https://www.filinvestgroup.com/wp-content/uploads/2024/07/signed-FDC-ASM-Minutes-2024.pdf>. A copy of the minutes is also attached as **Annex “F”** of the Information Statement.

- (2) *Presentation of the President’s Report*

Rationale: To present to the stockholders the Company's operating performance, financial condition and outlook.

The President & CEO, Ms. Rhoda A. Huang, will report on the Company's 2024 performance and the outlook for this year.

(3) Ratification of the Audited Financial Statements for the year ended 31 December 2024

Rationale: To apprise the stockholders of the financial results of the Company's operations in 2024.

The audited financial statements refer to the financial operations, balance sheet and income statement of FDC as of and for the year ended 31 December 2024. The Company's audited financial statements for 2024 is incorporated in this Information Statement and will be made available on the Company website.

The items above will be part of the agenda of the annual stockholders' meeting of the Company to be held on 25 April 2025 and are subject to the approval by the stockholders.

Item 16. Action to be Taken on Matters Not Required to be Submitted

There is no action to be taken at the annual stockholders' meeting with respect to any matter which is not required to be submitted to a vote of the stockholders.

Item 17. Other Proposed Actions

- (1) General ratification of the acts of the Board of Directors, Board Committees (including the Executive Committee) and the management from the date of the last annual meeting up to the date of the upcoming meeting.

Rationale: To ratify the actions and resolutions of the Board of Directors and management in the regular course of business.

The major acts of the Board of Directors and Officers include –

- (a) Appointment of the members of the board committees
- (b) Appointment of officers
- (c) Approval of audited financial statements
- (d) Declaration of cash dividends
- (e) Approval of the schedule of Board and Board Committee meetings
- (f) Approval of the date of annual stockholders' meeting, record date, the agenda of the meeting, and the mechanics for participation in the meeting through remote communication and voting in absentia
- (g) Approval of policies and updating of Manual of Corporate Governance
- (h) Appointment of authorized representatives and signatories for various transactions, contracts and legal proceedings
- (i) Authority to enter into bank transactions needed for its business and appointment of authorized representatives
- (j) Renewal/availment of bank services and credit facilities

- (k) Appointment and/or updating of bank signatories
- (l) Authority to transfer/convey /lease out real property; and
- (m) Authority for applications for government registration, clearance, permits and licenses

- (2) Election of the Members of the Board of Directors, including three (3) Independent Directors for 2025-2026.

Rationale: To allow stockholders to elect the Company's Board of Directors for the ensuing year.

In accordance with the Company's Revised Manual on Corporate Governance and By-laws, the stockholders must elect the members of the Board of Directors of the Company composed of nine (9) directors, including three (3) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified. There will be an election of the members of the Board during the annual stockholders' meeting to serve for the year 2025 to 2026.

- (3) Appointment of External Auditor

Rationale: To appoint an auditing firm to provide assurance on the integrity, objectivity and independence in the preparation of the Company's financial statements.

The Audit and Risk Management Oversight Committee and the Board shall endorse to the stockholders the re-appointment of SGV & Co. as the external auditor for the ensuing year. The details of the external auditor are provided in the Information Statement.

Item 18. Voting Procedures

- (a) *Vote required for approval.*

The approval of the minutes of the annual stockholders' meeting held on 26 April 2024 and the audited financial statements for the year ended 2024, the ratification of corporate acts, the election of the directors and the appointment of external auditors for 2025 shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

In the election of the members of the Board of Directors, the candidates garnering the nine (9) highest number of votes shall be declared elected as directors of the Company to serve as such for the year 2025-2026.

- (b) *Method by which votes will be counted.*

A stockholder may vote by appointing the Company's Chairman as proxy or electronically *in absentia* by registering at the online web addresses:

FDC ASM Registration Form 2025

https://shareholders.filinvest.com.ph/FDC_SHAREHOLDERSYSTEM

FDC Ballot Form 2025

https://shareholders.filinvest.com.ph/FDC_ASMVOTING

After validation, the stockholder will receive an email with instructions to access the ballot. The ballots submitted shall then be counted by the Corporate Secretary, with the assistance of representatives of the Company's stock transfer agent, Stock Transfer Service, Inc., which is an independent party. The results of the voting shall be announced during the meeting.

Item 19. Participation of Stockholders by Remote Communication

In order for the Company to properly conduct validation procedures, stockholders who wish to participate in the meeting via remote communication and/or vote *in absentia* must register at below online links on or before **16 April 2025**:

FDC ASM Registration Form 2025

https://shareholders.filinvest.com.ph/FDC_SHAREHOLDERSYSTEM

FDC Ballot Form 2025

https://shareholders.filinvest.com.ph/FDC_ASMVOTING

Details of the requirements and process are provided in **Annex "G"**.

Item 20. Market for Issuer's Common Equity and Related Stockholder Matters

The shares of the Company are traded on the PSE under the symbol "FDC." The shares were listed on the PSE on 22 December 1982.

The following table shows, for the periods indicated, the high, low and period end closing prices of the shares as reported in the PSE.

	Period	High	Low	End
2024	4th Quarter	5.85	4.90	4.94
	3rd Quarter	6.00	5.27	5.80
	2nd Quarter	5.80	5.38	5.48
	1st Quarter	5.98	5.35	5.68
2023	4th Quarter	5.60	4.99	5.35
	3rd Quarter	5.80	4.86	5.22
	2nd Quarter	5.89	5.18	5.20
	1st Quarter	6.64	5.12	5.50
2022	4th Quarter	6.93	6.40	6.42
	3rd Quarter	7.08	6.60	6.84
	2nd Quarter	7.19	6.74	7.02
	1st Quarter	7.90	6.62	6.97
2021	4th Quarter	8.12	7.50	7.97
	3rd Quarter	8.30	7.40	7.75
	2nd Quarter	8.90	7.85	8.06
	1st Quarter	9.65	7.99	8.67
2020	4th Quarter	10.10	8.51	9.44
	3rd Quarter	9.12	7.80	8.60

	2nd Quarter	9.88	7.62	7.90
	1st Quarter	13.48	6.50	8.40

As of 28 February 2025, FDC's shares closed at the price of Php4.60 per share. The number of shareholders of record as of said date was 3,976. Common shares outstanding as of 28 February 2025 is 8,648,462,987.

The top 20 stockholders of FDC's common shares as of February 28, 2025, are as follows:

	NAME	NO. OF SHARES	% TO TOTAL
1	A. L. Gotianun, Inc.	7,587,823,501	87.74%
2	PCD Nominee Corporation (Filipino)	912,953,141	10.56%
3	Michael Edward T. Gotianun	50,501,501	0.58%
4	PCD Nominee Corporation (Non-Filipino)	33,684,330	0.39%
5	Ricardo Alonzo	28,627,534	0.33%
6	Helen Reyes	2,692,544	0.03%
7	Emily Benedicto	2,466,400	0.03%
8	H.K. Hedinger	2,023,508	0.02%
9	Santiago Go	1,707,066	0.02%
10	Executive Optical, Inc.	1,023,556	0.01%
11	AMA Rural Bank of Mandaluyong, Inc.	616,600	0.01%
12	Andrew Gerard D. Gotianun III	561,999	0.01%
13	Alfred Gerard D. Gotianun	561,999	0.01%
14	Aldrin Gerard Gotianun	561,999	0.01%
15	Manuel Benipayo	527,141	0.01%
16	Salud Borromeo	501,655	0.01%
17	Francisco Benedicto	493,280	0.01%
18	Edan Corporation	387,224	0.00%
19	Ma. Consuelo R. Medrano &/or Victoriano S. Medrano	308,300	0.00%
20	Alfonso Siy &/Or Ang Pue Tin	246,640	0.00%
	Total	8,628,269,918	99.78%

Recent Sale of Unregistered Securities

No securities were sold by the Company in the past three (3) years, which were not registered under the Code.

Declaration of Dividends

On 26 April 2024, the Board of Directors of FDC approved the declaration and payment of cash dividends of 0.10346 per share for every common share of record as of May 20, 2024, payable on June 11, 2024.

On 28 April 2023, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php 0.06534 per share or a total of Php 565.1 million to all shareholders of record as of 22 May 2023, payable on 14 June 2023.

On 29 April 2022, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php 0.07014 per share or a total of Php606.6 million to all shareholders of record as of 20 May 2022, payable on 14 June 2022.

On 30 April 2021, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php 0.098 per share or a total of Php847.5 million to all shareholders of record as of 21 May 2021, payable on 15 June 2021.

On 22 June 2020, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php0.1384 per share or a total of Php1,196.9 million to all shareholders of record as of 22 July 2020, payable on 17 August 2020.

The declaration of cash dividends depends upon the Company's earnings, cash flow, financial condition, capital investment requirements and other factors (including certain restrictions on dividends imposed by the terms of loan agreements).

Pursuant to the loan agreements entered into by the Company and certain financial institutions, the Company needs the lenders' prior consent in cases of cash dividend declaration if it is in default under such loan agreements.

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company is in compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of sufficient number of independent directors to the Board; (b) the appointment of members of the Board Committees, namely the Executive Committee, the Audit and Risk Management Oversight Committee, the Related-Party Transaction Committee, the Corporate Governance Committee, Compensation Committee and the Digital Committee of the Company; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and the proper discharge of the duties and responsibilities as such directors; (d) the adoption of Related-Party Transaction Policy; (e) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (f) the Company's adherence to national and local laws pertaining to its operations; (g) submission of Sustainability Report; (h) the observance of applicable accounting standards by the Company; and (i) Annual Board Assessment Survey (Self-Evaluation) aimed at measuring or determining the level of compliance of the Board of Directors and Top Level Management with its Manual of Corporate Governance.

In order to keep itself abreast with the leading practices on corporate governance, the Company encourages the members of top-level management and the Board to attend and participate at seminars on corporate governance conducted by SEC-accredited institutions.

The Company welcomes proposals, especially from institutions and entities such as the SEC, PSE, the Institute of Corporate Directors and SyCip Gorres Velayo & Co., to improve corporate governance.

There is no known material deviation from the Company's Revised Manual on Corporate Governance.

UNDERTAKING: The Company will provide without charge its Annual Report on SEC Form 17-A to its stockholders upon receipt of written request addressed to: Atty. Lindeza R. Rogero-Gavino, the Corporate Secretary, at the The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig 1634, Metro Manila. The Annual Report shall also be made available on the company website at <https://www.filinvestgroup.com/>.

--Signature page follows--

**PART II
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 Mandaluyong on the **19th day of March 2025**.

FILINVEST DEVELOPMENT CORPORATION

By:


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

FILINVEST DEVELOPMENT CORPORATION

SECRETARY'S CERTIFICATE

I, **LINDEZA R. ROGERO-GAVINO**, of legal age, Filipino, and with office address at The Beaufort, 5th Avenue corner 23rd St., Bonifacio Global City, Taguig City, 1634, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **FILINVEST DEVELOPMENT CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634, Metro Manila

2. Based on the records of the Corporation, none of its incumbent directors and executive officers named in the Corporation's Information Statement (SEC Form 20-IS) for the Annual Stockholders' Meeting to be held on 25 April 2025 is connected with and/or working in the government.

3. This Certification is being issued as an annex to the Information Statement (SEC Form 20-IS) of the Corporation in connection with its Annual Stockholders' Meeting for the year 2025.

IN WITNESS WHEREOF, I have hereunto set my hand this MAR 12 2025 in Mandaluyong City, Metro Manila.


LINDEZA R. ROGERO-GAVINO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 12 2025 in Mandaluyong City, Metro Manila, affiant exhibiting to me her competent evidence of her identity bearing her photograph and signature, issued by me

Doc. No. 9 ;
Page No. 3 ;
Book No. 11 ;
Series of 2025.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970 (73)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2028
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

ANNEX "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, VIRGINIA T. OBCENA, of legal age, Filipino, single, with

1 accordance

with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Development Corporation for the year 2025-2026 and have been an independent director since April 29, 2016.
2. I am/was affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Filinvest REIT Corp.	Independent Director; Chairperson, Audit & Risk Management Oversight Committee; Member, Compensation Committee; Member, Corporate Governance Committee; Member, Related-Party Transaction Committee	July 17, 2019 to Present
International Centre for Settlement of Investment Disputes (ICSID), World Bank	Member, Panel of Conciliators	2015 to June 2021

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Development Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, 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 Filinvest Development Corporation of any changes in the above-mentioned information within five days from its occurrence.

MAR 12 2025

Done, this _____ at Mandaluyong City.



VIRGINIA T. OBCENA

Affiant

MAR 12 2025

SUBSCRIBED AND SWORN to before me this _____ at
Mandaluyong City, affiant personally appeared before me and exhibited to me her Passport No.

Doc. No. 11 ;
Page No. 4 ;
Book No. 11 ;
Series of 2025.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970 (73)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2028
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, MINA C. FIGUEROA, of legal age, Filipino, single, with
 ter having been duly sworn in

1. I am a nominee for Independent Director of Filinvest Development Corporation for the year 2025-2026 and have been an Independent Director since April 26, 2024.
2. I am/was affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine Ratings Services Corp.	Independent Director	August 2021 to present
Credit Suisse Securities (Phils.), Inc.	Independent Director	May 2021 up to January 31, 2025
Equicom Savings Bank	Independent Director Chairman, Audit Committee Member, Corporate Governance Committee, Member, Risk Management Committee, Member, Related Party Transactions Committee	January 2008 to September 2021 July 2013 to September 2021 February 2016 to September 2021
Farmans Development, Inc.	Chairman of the Board	1990 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Development Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent

director in N/A, 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 Filinvest Development Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAR 12 2025 at Mandaluyong City.



MINA C. FIGUEROA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 12 2025 at
Mandaluyong City, affiant personally appeared before me and exhibited to me her Unified

Doc. No. 12 ;
Page No. 4 ;
Book No. 11 ;
Series of 2025.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970(73)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2028
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

ANNEX "B-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, MARIEVIC G. RAMOS-AÑONUEVO, of legal age. Filipino, with postal address
after having been duly

sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Development Corporation for the year 2025-2026 and have been an Independent Director since April 26, 2024.
2. I am/was affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Pueblo de Oro Development Corp	Independent Director	September 1, 2024 to present
	Director	April 24, 2024
Cebu Light Industrial Park, Inc.	Director	October 26, 2023 to present
Cadence Property Development Corporation	Director	May 05, 2023 to present
Manila Exposition Complex, Inc.	Director	May 05, 2023 to present
Investment & Capital Corporation of the Philippines	Director	April 06, 2023 to present
Ishida Philippines Grating Inc.	Director	April 17, 2008 to August 23, 2022
		January 5, 2023 to present
Breaking Free Foundation, Inc.	Trustee and Corporate Secretary	2022 to present
Friends of Hope, Inc.	Corporate Secretary, Trustee	2012-2020
Marubeni Scholarship Foundation, Inc.	Corporate Secretary, Trustee and Vice President	1989 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Development Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

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5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, 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 Filinvest Development Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAR 12 2025 at Mandaluyong City.



MARIEVIC G. RAMOS-AÑONUEVO
Affiant

MAR 12 2025

SUBSCRIBED AND SWORN to before me this _____ in
Mandaluyong City, Metro Manila, affiant exhibiting to me he
competent evidence of her identity, bearing her photograph and signature, issued by the

Doc. No. 13 ;
Page No. 4 ;
Book No. 11 ;
Series of 2025.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970(573)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2020
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings for the Calendar Year 2024 and during the April 26, 2024 Annual Stockholders’ Meeting, and their memberships in the different Committees:

Name	Date of Election	Board Meetings Attended/Held	% Attendance	Attended Annual Stockholders’ Meeting	Committee Membership
Jonathan T. Gotianun (Chairman)	April 26, 2024	6/6	100%	Yes	Executive (Chairman) Audit & Risk Management Oversight (Member) Compensation (Member)
Lourdes Josephine Gotianun-Yap	April 26, 2024	6/6	100%	Yes	Compensation (Chairman) Executive (Member) Audit & Risk Management Oversight (Member)
Rhoda A. Huang	April 26, 2024	6/6	100%	Yes	Executive (Member)
Michael Edward T. Gotianun	April 26, 2024	6/6	100%	Yes	Executive (Member)
Francis Nathaniel C. Gotianun	April 26, 2024	6/6	100%	Yes	Executive (Member)
Isabelle Therese Gotianun-Yap	April 26, 2024	3/3	100%	Yes	
Virginia T. Obcena (Lead Independent Director)	April 26, 2024	6/6	100%	Yes	Audit & Risk Management Oversight (Chairperson) Corporate Governance (Member) Related Party Transaction (Member)
Marievic G. Ramos-Anonuevo (Independent Director)	April 26, 2024	3/3	100%	Yes	Corporate Governance (Chairman) Compensation (Member) Related Party Transaction (Member) Audit & Risk Management Oversight (Member)
Mina c. Figueroa (Independent Director)	April 26, 2024	3/3	100%	Yes	Related Party Transaction (Chairman) Audit & Risk Management Oversight (Member) Corporate Governance (Member)

Duties and Responsibilities of the Different Board Committees

Executive Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman	Jonathan T. Gotianun	April 26, 2024	10	10	100%	1 year
Member (ED)	L. Josephine Gotianun-Yap	April 26, 2024	10	10	100%	1 year
Member (ED)	Michael Edward T. Gotianun	April 26, 2024	10	10	100%	1 year
Member (ED)	Francis Nathaniel C. Gotianun	April 26, 2024	10	10	100%	1 year
Member (ED)	Rhoda A. Huang	April 26, 2024	10	10	100%	1 year

(*) The Committee members are elected annually.

Audit and Risk Management Oversight Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairperson (ID)	Virginia T. Obcena	April 26, 2024	4	4	100%	1 year
Member (ED)	L. Josephine Gotianun-Yap	April 26, 2024	4	4	100%	1 year
Member (NED)	Jonathan T. Gotianun	April 26, 2024	4	4	100%	1 year
Member (ID)	Mina C. Figueroa	April 26, 2024	3	3	100%	1 year
Member (ID)	Marievic G. Ramos-Anonuevo	August 12, 2024	1	1	100%	6 months

(*) The Committee members are elected annually.

Compensation Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman	L. Josephine Gotianun-Yap	April 26, 2024	1	1	100%	1 year
Member (ED)	Jonathan T. Gotianun	April 26, 2024	1	1	100%	1 year
Member (ID)	Marievic G. Ramos-Anonuevo	April 26, 2024	1	1	100%	1 year

(*) The Committee members are elected annually.

Corporate Governance Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman (ID)	Marievic G. Ramos-Anonuevo	April 26, 2024	2	2	100%	1 year
Member (ID)	Virginia T. Obcena	April 26, 2024	3	3	100%	1 year
Member (ID)	Mina C. Figueroa	April 26, 2024	2	2	100%	1 year

(*) The Committee members are elected annually.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

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

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

Form Type

A	A	C	F	S
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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

N	A		
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COMPANY INFORMATION

Company's Email Address www.filinvestgroup.com	Company's Telephone Number 7798-3977	Mobile Number NONE
No. of Stockholders 3,976	Annual Meeting (Month / Day) Last Friday of April	Fiscal Year (Month / Day) 12/31

CONTACT PERSON INFORMATIONThe designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person Ven Christian S. Guce	Email Address ven.guce@filinvestgroup.com	Telephone Number/s 7798-3977	Mobile Number N/A
--------------------------------------------------------	-----------------------------------------------------	----------------------------------------	-----------------------------

CONTACT PERSON'S ADDRESS

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

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

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



FILINVEST DEVELOPMENT CORP.

6th Floor, The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City, Philippines
Trunk line: (632) 798-3977
www.filinvestgroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

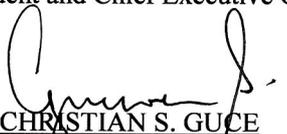
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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


JONATHAN T. GOTIANUN
Chairman of the Board


RHODA A. HUANG
President and Chief Executive Officer


VEN CHRISTIAN S. GUCE
Treasurer and Chief Financial Officer

SUBSCRIBED AND SWORN TO BEFORE ME in the City of Mandaluyong
this 19 day of MAR 2025 affiant exhibiting to me _____
as his/her competent evidence of identity.

Signed this 19th day of March,

Doc. No. 448;
Page No. 91;
Book No. 11;
Series of 2025

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-25 VALID UNTIL DECEMBER 31, 2026
ROLL NO. 53970 (573)
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 5708102; 1-2-25; MANDALUYONG
MCLE EXEMPTION NO. VIII-ACAD004023 14 APRIL 2028
UG 03 CITYLAND SHAW TOWER
SHAW BOULEVARD, MANDALUYONG CITY

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, age of residential development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Effective January 1, 2024, the Group adopted Philippine Interpretations Committee (PIC) Q&A 2018-12-D (as amended by PIC Q&A 2020-04) in assessing if the transaction price includes significant financing component. The Group applied the modified retrospective approach in its initial adoption.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project engineers and third-party project managers. The disclosures related to the real estate revenue are included in Notes 2 and 35 to the consolidated financial statements.

Audit Response

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.

For the determination of the transaction price, we obtained an understanding of the Group's process in implementing PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04), including the determination of the population of contracts with customers related to real estate sales, the selection of the transition approach and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis whether the financing component of the Group's contract with a customer is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculations prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculations such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion (POC) to the contract provisions and projected percentage of completion schedule. We also recomputed the financing component for each sample selected.



For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC and performed tests of relevant controls. We inspected the certified POC reports prepared by the internal project engineers for mid-rise real estate development and third-party project managers for high-rise real estate development and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC report showing the completion of the major activities of the project construction.

Adequacy of Allowance for Credit Losses on Loans and Receivables from Banking and Financial Services

The application of the expected credit loss (ECL) model of the Group's banking and financial services segment in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset and expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays) in calculating ECL.

Refer to Notes 3 and 9 to the consolidated financial statements for the related disclosures and details of the allowance for credit losses using the ECL model.

Audit Response

We obtained an understanding of the Board-approved methodologies and models used for the Group's different credit risk exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts and credit risk management policies and practices in place; (c) tested the Group's application of internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries including the timing, related direct costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss.

We involved our internal specialists in the performance of the above procedures.



Assessment of Goodwill

Under PFRS Accounting Standards, the Group is required to test the amount of goodwill for impairment at least annually. As of December 31, 2024, the Group's goodwill attributable to the acquisition of the sugar business is significant at the carrying value of ₱6,177.3 million. Management's assessment process requires significant judgment and is based on assumptions that are subject to higher level of estimation uncertainty given the current market and economic conditions, specifically, growth rate, gross margin and discount rate.

Refer to Notes 3 and 4 to the consolidated financial statements for the disclosures about goodwill.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used, including growth rate, gross margin and discount rate.

We compared the key assumptions used, such as growth rate and gross margin against the historical performance and industry outlook of the cash-generating unit, and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

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

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

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

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

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



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

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

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

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

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

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



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit. We remain solely responsible for our audit opinion.

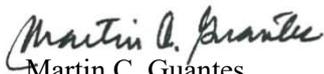
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Martin C. Guantes.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 19, 2025



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2024	2023
ASSETS		
Cash and cash equivalents (Note 6)	₱52,317,373	₱48,962,146
Loans and receivables		
Real estate operations (Note 7)	11,384,885	9,285,775
Hospitality operations (Note 8)	396,137	247,570
Banking and financial services (Note 9)	323,459,351	281,253,378
Power and utility operations (Note 10)	4,789,083	4,861,962
Sugar operations (Note 11)	153,708	134,639
Financial assets at fair value through profit or loss (Note 12)	9,174,275	4,112,322
Financial assets at fair value through other comprehensive income (Note 12)	29,983,609	19,411,425
Investment securities at amortized cost (Note 12)	81,922,750	75,401,019
Contract assets (Notes 2 and 13)	8,436,614	9,867,642
Real estate inventories (Notes 2 and 14)	78,900,316	81,004,413
Coal, spare parts and other inventories (Note 15)	2,397,054	1,665,772
Investment properties (Note 16)	103,641,040	98,240,278
Property, plant and equipment (Note 17)	51,890,809	49,253,884
Investments in joint ventures and associate (Note 18)	2,010,839	1,907,136
Deferred tax assets - net (Note 34)	5,791,642	5,628,946
Goodwill (Note 4)	10,381,152	10,381,152
Other assets - net (Note 20)	36,649,611	33,314,574
Total Assets	₱813,680,248	₱734,934,033

LIABILITIES AND EQUITY

Liabilities

Deposit liabilities (Note 21)	₱372,542,796	₱338,781,312
Bills and acceptances payable (Note 22)	40,117,180	15,403,706
Accounts payable, accrued expenses and other liabilities (Note 23)	53,901,380	46,888,946
Contract liabilities (Note 13)	3,156,425	2,996,852
Long-term and short-term debt (Note 24)	137,331,240	132,371,944
Income tax payable	439,461	488,470
Retirement liabilities (Notes 26 and 30)	1,660,444	1,575,028
Lease liabilities (Note 32)	9,042,566	8,454,337
Deferred tax liabilities - net (Notes 2 and 34)	9,108,250	10,281,563
Total Liabilities	627,299,742	557,242,158

(Forward)



	December 31	
	2024	2023
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock - ₱1 par value (Note 25)		
Authorized common shares - 15,000,000,000		
Authorized preferred shares - 2,000,000,000		
Issued common shares - 9,319,872,387	₱9,319,872	₱9,319,872
Treasury shares - 671,409,400 (Notes 25 and 31)	(3,614,474)	(3,614,474)
Additional paid-in capital (Note 25)	11,900,015	11,900,015
Retained earnings (Note 25)	127,792,244	119,711,533
Other comprehensive income - net of tax		
Revaluation reserve on financial assets at fair value through other comprehensive income (Note 12)	(547,810)	(302,556)
Remeasurement losses on retirement plans - net of tax (Note 30)	(214,373)	(176,065)
Cumulative translation adjustments	121,161	201,167
Share in other components of equity in joint ventures	724	724
	144,757,359	137,040,216
Noncontrolling interests (Note 5)	41,623,147	40,651,659
Total Equity	186,380,506	177,691,875
	₱813,680,248	₱734,934,033

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2024	2023	2022
REVENUES (Note 35)			
Real estate operations			
Sale of lots, condominium and residential units	₱17,567,000	₱16,094,806	₱13,314,664
Rental and related services (Notes 16, 20 and 32)	8,486,789	7,663,855	6,732,189
Hospitality operations	3,763,329	2,856,543	1,928,979
Banking and financial services (Notes 6, 9 and 12)	41,730,563	33,943,051	25,652,661
Power and utility operations	24,397,973	17,207,202	12,899,789
Sugar operations	5,815,205	5,027,067	4,280,178
	101,760,859	82,792,524	64,808,460
OTHER INCOME (Notes 27 and 35)			
Real estate operations	2,026,362	1,647,576	1,180,709
Hospitality operations	552,898	563,913	4,195
Banking and financial services	8,932,099	7,429,236	4,912,360
Power and utility operations	130,235	358,236	139,059
Sugar operations	43,085	50,056	78,809
	11,684,679	10,049,017	6,315,132
Total Revenues and Other Income	113,445,538	92,841,541	71,123,592
COSTS (Note 28)			
Real estate operations			
Sale of lots, condominium and residential units (Note 14)	7,754,859	8,534,325	7,521,107
Rental and related services (Notes 16 and 20)	3,613,954	2,824,608	2,366,540
Hospitality operations	2,526,342	1,827,843	1,334,216
Banking and financial services (Notes 21, 22 and 24)	8,418,748	5,986,364	2,593,840
Power and utility operations	16,691,157	12,060,599	8,700,791
Sugar operations	4,741,794	4,061,398	3,554,776
Other operations (Note 24)	591,785	518,016	470,272
	44,338,639	35,813,153	26,541,542
EXPENSES (Note 29)			
Real estate operations	9,309,880	7,217,548	6,419,775
Hospitality operations	1,449,580	1,392,562	1,192,396
Banking and financial services	32,855,465	27,907,904	22,097,839
Power and utility operations	2,355,718	2,151,071	2,264,496
Sugar operations	201,983	183,996	160,302
Other operations	2,378,968	2,674,014	1,755,697
	48,551,594	41,527,095	33,890,505
Total Costs and Expenses	92,890,233	77,340,248	60,432,047

(Forward)



	Years Ended December 31		
	2024	2023	2022
INCOME BEFORE INCOME TAX	₱20,555,305	₱15,501,293	₱10,691,545
PROVISION FOR INCOME TAX (Note 34)			
Current	3,895,854	3,482,679	2,059,068
Deferred	961,098	(118,196)	329,817
	4,856,952	3,364,483	2,388,885
NET INCOME (Note 35)	₱15,698,353	₱12,136,810	₱8,302,660
Net income attributable to:			
Equity holders of the Parent Company (Note 31)	₱12,131,320	₱8,947,468	₱5,650,674
Noncontrolling interests	3,567,033	3,189,342	2,651,986
	₱15,698,353	₱12,136,810	₱8,302,660
Basic/Diluted Earnings Per Share Attributable to Equity			
Holders of the Parent Company (Note 31)	₱1.40	₱1.03	₱0.65

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱15,698,353	₱12,136,810	₱8,302,660
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets through other comprehensive income (Note 12)	(33,616)	(41,780)	(30,092)
Translation adjustments (Note 2)	(95,478)	369,315	186,498
	(129,094)	327,535	156,406
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets through other comprehensive income (Note 12)	(299,909)	1,297,147	(1,955,034)
Remeasurement gains (losses) on retirement plans - net of tax (Note 30)	(46,329)	(5,612)	17,851
	(346,238)	1,291,535	(1,937,183)
	(475,332)	1,619,070	(1,780,777)
TOTAL COMPREHENSIVE INCOME	₱15,223,021	₱13,755,880	₱6,521,883
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱11,767,752	₱10,342,888	₱4,292,505
Noncontrolling interests	3,455,269	3,412,992	2,229,378
	₱15,223,021	₱13,755,880	₱6,521,883

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 25)	Additional Paid-in Capital (Note 25)	Retained Earnings (Note 25)	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (Note 12)	Re- measurement Losses on Retirement Plans - net of tax (Note 30)	Translation Adjustments (Note 2)	Share in Other Components of Equity in Joint Ventures (Note 18)	Treasury Shares (Notes 25 and 31)	Total	Noncontrolling Interests (Note 5)	Total
	For the Year Ended December 31, 2024										
Balances as at January 1, 2024, as previously stated	₱9,319,872	₱11,900,015	₱119,711,533	(₱302,556)	(₱176,065)	₱201,167	₱724	(₱3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875
Effect of adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, <i>Borrowing Cost</i>) and Significant Financing Component (Note 2)	–	–	(2,810,653)	–	–	–	–	–	(2,810,653)	(1,335,193)	(4,145,846)
Balances as at January 1, 2024, as restated	9,319,872	11,900,015	116,900,880	(302,556)	(176,065)	201,167	724	(3,614,474)	134,229,563	39,316,466	173,546,029
Net income	–	–	12,131,320	–	–	–	–	–	12,131,320	3,567,033	15,698,353
Other comprehensive income (loss)	–	–	–	(245,254)	(38,308)	(80,006)	–	–	(363,568)	(111,764)	(475,332)
Total comprehensive income (loss)	–	–	12,131,320	(245,254)	(38,308)	(80,006)	–	–	11,767,752	3,455,269	15,223,021
Changes in noncontrolling interest (Notes 2 and 5)	–	–	(345,214)	–	–	–	–	–	(345,214)	174,542	(170,672)
Dividends declared (Notes 5 and 25)	–	–	(894,742)	–	–	–	–	–	(894,742)	(1,323,130)	(2,217,872)
Balances as of December 31, 2024	₱9,319,872	₱11,900,015	₱127,792,244	(₱547,810)	(₱214,373)	₱121,161	₱724	(₱3,614,474)	₱144,757,359	₱41,623,147	₱186,380,506
	For the Year Ended December 31, 2023										
Balances as at January 1, 2023	₱9,319,872	₱11,900,015	₱111,329,156	(₱1,326,191)	(₱186,845)	(₱159,838)	₱724	(₱3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042
Net income	–	–	8,947,468	–	–	–	–	–	8,947,468	3,189,342	12,136,810
Other comprehensive income	–	–	–	1,023,635	10,780	361,005	–	–	1,395,420	223,650	1,619,070
Total comprehensive income	–	–	8,947,468	1,023,635	10,780	361,005	–	–	10,342,888	3,412,992	13,755,880
Dividends declared (Notes 5 and 25)	–	–	(565,091)	–	–	–	–	–	(565,091)	(1,170,956)	(1,736,047)
Balances as of December 31, 2023	₱9,319,872	₱11,900,015	₱119,711,533	(₱302,556)	(₱176,065)	₱201,167	₱724	(₱3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875



Equity Attributable to Equity Holders of the Parent Company											
Capital Stock (Note 25)	Additional Paid-in Capital (Note 25)	Retained Earnings (Note 25)	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (Note 12)	Re- measurement Losses on Retirement Plans - net of tax (Note 30)	Translation Adjustments (Note 2)	Share in Other Components of Equity in Joint Ventures (Note 18)	Treasury Shares (Notes 25 and 31)	Total	Noncontrolling Interests (Note 5)	Total	
For the Year Ended December 31, 2022											
Balances as at January 1, 2022	₱9,319,872	₱11,900,015	₱106,285,085	₱214,100	(₱223,775)	(₱305,031)	₱724	(₱3,614,474)	₱123,576,516	₱37,534,392	₱161,110,908
Net income	-	-	5,650,674	-	-	-	-	-	5,650,674	2,651,986	8,302,660
Other comprehensive income (loss)	-	-	-	(1,540,291)	36,930	145,193	-	-	(1,358,168)	(422,609)	(1,780,777)
Total comprehensive income (loss)	-	-	5,650,674	(1,540,291)	36,930	145,193	-	-	4,292,506	2,229,377	6,521,883
Dividends declared (Notes 5 and 25)	-	-	(606,603)	-	-	-	-	-	(606,603)	(1,354,146)	(1,960,749)
Balances as of December 31, 2022	₱9,319,872	₱11,900,015	₱111,329,156	(₱1,326,191)	(₱186,845)	(₱159,838)	₱724	(₱3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱20,555,305	₱15,501,293	₱10,691,545
Adjustments for:			
Provision for probable losses (Note 29)	9,939,073	7,620,095	5,248,699
Interest expense (Notes 28 and 29)	7,167,415	5,165,195	4,969,279
Depreciation and amortization (Notes 16, 17 and 20)	6,083,458	5,204,280	5,368,959
Loss (gain) on sale of property and equipment and investment properties (Note 27)	688,094	183,080	105,349
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Notes 12 and 27)	84,216	532,150	(5,435,965)
Share in net loss (income) of joint ventures and an associate (Notes 18, 27 and 29)	(115,633)	307,472	348,166
Interest income (Note 27)	(503,348)	(559,530)	(458,894)
Loss (gain) on asset foreclosure and <i>dacion</i> transactions (Note 27)	(1,191,284)	(614,532)	9,445
Operating income before changes in operating assets and liabilities	42,707,296	33,339,503	20,846,583
Decrease (increase) in:			
Loans and receivables	(59,780,871)	(47,828,683)	(48,249,644)
Financial assets at fair value through profit or loss	(5,061,953)	(2,154,012)	2,098,541
Contract assets	1,311,857	(2,258,110)	1,287,985
Real estate inventories	(4,927,392)	(2,695,159)	(1,123,954)
Coal, spare parts and other inventories	(731,282)	650,897	(907,109)
Increase (decrease) in:			
Deposit liabilities	27,021,739	26,406,833	(2,100,838)
Accounts payable, accrued expenses and other liabilities	8,153,842	7,891,993	5,815,323
Contract liabilities	159,573	(926,159)	437,700
Cash generated from (used in) operations	8,852,809	12,427,103	(21,895,413)
Income taxes paid	(3,944,863)	(3,243,048)	(1,999,022)
Net cash provided by (used in) operating activities	4,907,946	9,184,055	(23,894,435)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at fair value through other comprehensive income	(₱17,689,047)	(₱5,543,251)	(₱211,908,930)
Investment properties and property, plant and equipment (Notes 16 and 17)	(9,930,623)	(6,382,001)	(13,922,581)
Investment securities at amortized cost	(5,860,248)	(12,039,512)	(38,371,279)
Shares in subsidiary (Notes 1 and 5)	(170,672)	(50,000)	–
Investments in joint ventures and associate (Note 18)	–	(216,000)	(802,292)
Proceeds from sale of:			
Financial assets at fair value through other comprehensive income (Note 12)	10,713,611	4,442,304	235,817,583
Investment properties and repossessed assets	4,853,163	2,743,162	6,375,723
Maturity of investments securities at amortized cost	2,070,293	–	111,672
Receipts of interest income	503,348	559,530	458,894
Decrease (increase) in:			
Due from related parties (Notes 7, 8, 10 and 26)	29,367	49,585	18,289
Other assets	(2,339,904)	(7,459,830)	(3,067,358)
Net cash used in investing activities	(17,820,712)	(23,896,013)	(25,290,279)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Note 39)			
Proceeds from availment of long-term and short-term debt	63,442,124	38,811,359	26,012,626
Increase (decrease) in:			
Bills and acceptances payable (Note 22)	24,713,474	8,444,195	6,663,306
Due to related parties (Notes 23 and 26)	(533,293)	18,476	32,175
Payments of:			
Long-term and short-term debt	(59,068,195)	(44,190,637)	(25,589,119)
Interest expense (including capitalized borrowing costs)	(8,329,002)	(7,546,485)	(6,852,117)
Dividends (Notes 5 and 25)	(2,217,872)	(1,736,047)	(1,960,750)
Lease liabilities (Note 32)	(1,739,243)	(1,438,713)	(884,432)
Net cash provided by (used in) financing activities	16,267,993	(7,637,852)	(2,578,311)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,355,227	(22,349,810)	(51,763,025)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	48,962,146	71,311,956	123,074,981
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱52,317,373	₱48,962,146	₱71,311,956

See accompanying Notes to Consolidated Financial Statements.



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Approval of Consolidated Financial Statements

Corporate Information

Filinvest Development Corporation (FDC or the “Parent Company”) is a stock corporation incorporated on April 27, 1973 under the laws of the Philippines where its shares are publicly traded. The Parent Company and its subsidiaries (collectively referred to as the “Filinvest Group” or the “Group”) are engaged in real estate operations as a developer of residential subdivisions and mixed-use urban projects, including condominiums, commercial buildings, industrial parks and farm estates. The Filinvest Group is also involved in leasing operations, hospitality operations, banking and financial services, power and utility operations, sugar farming and milling business and digital ventures. A.L. Gotianun, Inc. (ALGI) is the Group’s ultimate parent company and is incorporated in the Philippines.

The Parent Company’s registered business address is at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila.

Real estate operations

On July 14, 2023, FLI entered into a Share Purchase Agreement with Rizal Commercial Banking Corporation (RCBC) to purchase all outstanding shares of stock of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC) for a total consideration of ₱633.26 million payable until July 5, 2028, taking over the two latter companies’ joint land development activities in Bacoor City, Cavite.

On December 14, 2022, FLI entered into a Deed of Assignment to purchase 100% ownership in SJR Developers, Inc. (SDI). Total acquisition price amounted to ₱0.60 million. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, house, apartment and other structures. The acquisition of SDI had no material effect to the consolidated financial statements.

On May 26, 2022, OurSpace Solutions, Inc. (OSI), a wholly owned subsidiary of FLI, was incorporated with the primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. On May 22, 2023, OSI issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI. On August 2, 2023, FLI subscribed to an additional 45 million common shares for a total consideration of ₱45.00 million. On the same date, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting in FLI’s 70% ownership in OSI for a total consideration of ₱30.00 million. OSI started commercial operations on November 1, 2023.

Hospitality operations

On February 15, 2024, the Philippine SEC approved the following amendments to the Articles of Incorporation of Cubao Cityscapes, Inc: (i) to change of name to Baker J Concepts, Inc. (BJCI); and (ii) its secondary purpose to establish, maintain and operate services in connection with the restaurant and catering enterprise.

On October 2, 2023, Archipelago International Pte. Ltd., (AIPL) entered into a Deed of Assignment for its 40% ownership in Chroma Hospitality, Inc. (CHI) to FDC for a total consideration of ₱50.0 million. The resulting ownership interest of FDC in CHI after the transfer is 100%.



On June 3, 2022, Hospitality Enterprise Resources Corporation (HERC), a wholly owned subsidiary of FHC, was incorporated to engage primarily in the business of providing technical, management, administrative, business process and consultancy services. HERC started commercial operations on January 1, 2023.

Other operations

On November 29, 2024, the Philippine SEC approved the following amendments to the Articles of Incorporation of Corporate Technologies, Inc. (CTI) to change its: (i) name to Filinvest Business Services Corporation; and (ii) primary purpose to sell its services to business entities.

On January 13, 2024, Filinvest Infra-Solutions Ventures, Inc. (FIVI) was incorporated to invest and develop entities engaged in infrastructure related projects. Filinvest Infra is wholly owned by FDC. FIVI has not started commercial operations as of December 31, 2024.

On August 9, 2023, ProActive Professionals Corp. (ProActive) was incorporated to provide business process outsourcing services. ProActive is owned 40% by FDC, 40% by Filinvest Land, Inc. (FLI) and 20% by Filinvest Alabang Inc. (FAI). ProActive has not started commercial operations as of December 31, 2024.

Approval for Issue of Consolidated Financial Statements

The consolidated financial statements as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were approved and authorized for issue by the Parent Company's BOD on March 19, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The Group's consolidated financial statements are presented in Philippine Peso (₱) and all amounts are rounded to the nearest thousand except when otherwise indicated.

The functional currency of the Parent Company, its subsidiaries, associate and joint ventures is the Philippine Peso, except for the Foreign Currency Deposit Unit (FCDU) of East West Banking Corporation (EWBC), Filinvest Development Cayman Islands (FDCI), Property Leaders International Limited (PLIL) and Filinvest International Pte. Ltd (FIPL) which is the United States Dollar (USD).

For financial reporting purposes, FDCI, PLIL, FIPL, FCDU accounts and foreign currency-denominated accounts of the Group are translated into their equivalents in Philippine Peso (see accounting policy on foreign currency transactions and translations).

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

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



Presentation of Financial Statements

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (noncurrent) is presented in Note 40 to the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. All of the Parent Company's subsidiaries were incorporated in the Philippines, except for (i) FDCI which was incorporated under the laws of Cayman Islands; (ii) PLIL which was incorporated in British Virgin Islands; and (iii) FIPL which was incorporated in the Republic of Singapore.

The financial statements of the subsidiaries, joint ventures and associate are prepared for the same reporting period as the Parent Company, except for Pacific Sugar Holdings Corporation (PSHC) whose reporting period starts from October 1 and ends on September 30, using consistent accounting policies. Adjustments are made to effect the significant transactions or events that occur between the reporting period of PSHC and the reporting period of the Group's consolidated financial statements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The nature of business and the corresponding percentages of ownership of the immediate parent company as at December 31 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to their ownership interests.

Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2024	2023	2022
<i>Banking and financial services</i>				
East West Banking Corporation (EWBC) ⁽¹⁾	Domestic universal bank	78	78	78
East West Rural Bank, Inc. (EWRB)	Consumer banking	100	100	100
East West Insurance Brokerage, Inc.	Non-life insurance brokerage	100	100	100
East West Leasing and Finance Corporation	Finance and leasing	100	100	100
Quest Marketing and Integrated Services, Inc. (QMIS)	Sales and marketing	100	100	100
Assurance Solutions Insurance Agency (ASIA)	General insurance and marketing	100	100	100

(Forward)



Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2024	2023	2022
<i>Real estate operations</i>				
Filinvest Land, Inc.	Real estate developer	71	65	65
Filinvest AII Philippines, Inc.	Real estate developer	100	100	100
Gintong Parisukat Realty and Development, Inc.	Real estate developer	100	100	100
Homepro Realty Marketing, Inc.	Real estate developer	100	100	100
SJR Developers, Inc.	Real estate developer	100	100	100
Niyog Property Holdings, Inc. (NPHI) ⁽⁴⁾	Real estate developer	100	100	–
Cajel Realty Corporation (CRC) ⁽⁴⁾	Real estate developer	100	100	–
Crystal Ball Realty & Management, Inc. (CBRM) ⁽⁶⁾	Real estate developer	100	100	100
Cloverleaf Holdings Corporation (CHC) ⁽⁶⁾	Real estate developer	100	100	100
FCGC Corporation	Real estate developer	100	100	100
Filinvest BCDA Clark, Inc. (FBCI)	Real estate developer	55	55	55
Filinvest REIT Corp. ⁽²⁾	Leasing	51	63	63
Filinvest Asia Corporation (FAC)	Leasing	60	60	60
Filinvest Cyberparks, Inc.	Leasing	100	100	100
Filinvest Clark Mimosa, Inc.	Leasing	100	100	100
Filinvest Lifemalls Mimosa, Inc.	Property management	100	100	100
Filinvest Lifemalls Corporation	Property management	100	100	100
Filinvest Lifemalls Tagaytay, Inc.	Property management	100	100	100
Property Specialist Resources, Inc.	Property management	100	100	100
ProOffice Works Services, Inc.	Property management	100	100	100
Co-Living Pro Managers Corp.	Property management	100	100	100
Festival Supermall, Inc.	Property management	100	100	100
FSM Cinemas, Inc. (FSMCI)	Theater operator	60	60	60
Philippine DCS Development Corporation	District cooling systems, builder, and operator	60	60	60
Timberland Sports and Nature Club	Recreational Sports and Nature Club	98	98	98
Property Maximizer Professional Corp.	Marketing	100	100	100
Leisurepro, Inc.	Marketing	100	100	100
Proleads Philippines, Inc.	Marketing	100	100	100
Property Leaders International Limited	Marketing	100	100	100
Realpros Philippines, Inc.	Marketing	100	100	100
Nature Specialist, Inc. (NSI) ⁽³⁾	Recreational Sports and Nature Club	75	75	75
FREIT Fund Managers, Inc.	Fund Manager	100	100	100
OurSpace Solutions, Inc. ⁽⁵⁾	Coworking spaces	70	70	100
Filinvest Mimosa, Inc. (FMI) ⁽⁷⁾	Property management	78	78	78
Dreambuilders Pro, Inc. ⁽⁸⁾	Real estate developer	84	84	84
ProMixers Aggregates Corp.	Construction equipment supplier and operator	100	100	100
Filinvest Alabang, Inc. ⁽⁹⁾	Real estate developer	94	93	93
Proplus, Inc.	Marketing	100	100	100
ParkingPro, Inc.	Parking space management	100	100	100
Entrata Hotel Services, Inc.	Hospitality and leisure	100	100	100
Southgate Alabang Land, Inc.	Real estate developer	100	100	100
Pro Excel Property Managers, Inc. (PPMI) ⁽¹²⁾	Real estate developer	84	84	84
<i>Power and utility operations</i>				
FDC Utilities, Inc.	Holding company	100	100	100
FDC Casecan Hydro Power Corporation	Power and utilities	100	100	100
FDC Green Energy Corp.	Power and utilities	100	100	100
FDC Misamis Power Corporation (FDC Misamis)	Power and utilities	100	100	100
FDC Renewables Corporation	Power and utilities	100	100	100
FDC Retail Electricity Sales Corporation	Electricity trading	100	100	100
FDC Water Utilities, Inc.	Water supply	100	100	100
FDC Water-FLOW Marigondon, Co. Inc.	Water supply	100	100	100
FDC Water-FLOW Talisay, Co. Inc.	Water supply	100	100	100
FDC Water-FLOW SRP, Co. Inc.	Water supply	100	100	100
Countrywide Water Services, Inc. (CWSI)	Water supply	100	100	100
<i>Sugar operations</i>				
Pacific Sugar Holdings Corporation	Agriculture	100	100	100
Davao Sugar Central Company, Inc. (DSCC)	Agriculture	100	100	100
Cotabato Sugar Central Company, Inc. (CSCC)	Agriculture	100	100	100
High Yield Sugar Farms Corporation (HYSFC)	Agriculture	100	100	100

(Forward)



Subsidiaries	Nature of Business	Percentage of Ownership Interest of the Immediate Parent Company		
		2024	2023	2022
<i>Hospitality operations</i>				
Mactan Seascapes Services, Inc. (MSSI)	Hotel	100	100	100
Filinvest Hospitality Corporation (FHC)	Hotel management	100	100	100
Hospitality Enterprise Resources Corporation	Hotel management	100	100	100
Baguio Mountainscapes, Inc.	Hotel	100	100	100
Boracay Seascapes, Inc. (BSI)	Hotel	100	100	100
Chinatown Cityscapes Hotel, Inc.	Hotel	100	100	100
Dauin Seascapes, Inc.	Hotel	100	100	100
Duawon Seascapes Resort, Inc. (DSRI)	Hotel	100	100	100
Dumaguete Cityscapes, Inc.	Hotel	100	100	100
Fora Services, Inc.	Hotel	100	100	100
Gensan Cityscapes, Inc.	Hotel	100	100	100
Mimosa Cityscapes, Inc. (MCI)	Hotel	100	100	100
Princesa Seascapes, Inc.	Hotel	100	100	100
Zamboanga Cityscapes, Inc.	Hotel	100	100	100
NSI ⁽³⁾	Recreational Sports and Nature Club	25	25	25
Quest Restaurants, Inc.	Restaurant	100	100	100
Baker J Concepts, Inc. (BJCI) (previously Cubao Cityscapes, Inc.)	Restaurant	100	100	100
Fora Restaurants, Inc.	Restaurant	100	100	100
Chroma Hospitality, Inc. ⁽¹⁰⁾	Hotel management	100	100	60
<i>Other operations</i>				
Filinvest Ventures, Inc.	Holding company	100	100	100
Filinvest International Pte. Ltd.	Holding company	100	100	100
Filinvest Business Services Corporation (FBSC) (formerly CTI)	Business process outsourcing	87	87	87
Corporate Network Communities, Inc.	Information technology support	100	100	100
Filinvest Development Corporation Cayman Islands f(dev)	Holding company	100	100	100
Digital Innovations and Ventures, Inc.	Holding company	100	100	100
Qwote Marketplace Technologies, Inc.	Information technology support	100	100	100
SharePro, Inc. (SPI) ⁽¹¹⁾	Business process consultancy	86	83	83
ProActive Professionals Corp. (PPC) ⁽¹³⁾	Business process outsourcing	87	84	—
Filinvest Infra-Solutions Ventures, Inc. (FIVI) ⁽¹⁴⁾	Infrastructure	100	—	—

(1) The percentage ownership in EW includes indirect ownership through FVI of 37.9%.

(2) FLI's ownership interest in FILRT was reduced to 51% in 2024 mainly as a result of FLI's voluntary tender offer (see Note 5).

(3) NSI is owned 75.0% by FLI and 25.0% by FHC (see Note 1).

(4) NPHI and CRC were acquired in 2023 (see Note 1).

(5) On August 2, 2023, a subscription agreement was executed to issue the 30 million common shares of OSI to KCI resulting to FLI's 70% ownership in OSI (see Note 1).

(6) CBRM and CHC were acquired in previous in previous years and were accounted for as asset acquisitions and not a business combination. Acquisition cost amounted to P80.06 million and P39.59 million for CBRM and CHC, respectively.

(7) The percentage ownership in FMI includes 47.5% share of FLI.

(8) The percentage ownership in DPI includes 45.0% share of FLI (see Note 1).

(9) The percentage ownership in FAI includes indirect ownership through FLI of 20.0%.

(10) CHI is 100% owned by the Parent Company (see Note 1), previously held as investment in associate in 2023.

(11) The percentage ownership in SPI includes 45.0% share of FLI and 20.0% share of FAI.

(12) The percentage ownership in PPMI includes 47.5% share of FLI and 47.5% share of FAI.

(13) The percentage ownership in PPC includes 40.0% share of FLI and 40.0% share of FAI.

(14) On January 13, 2024, FIVI was incorporated to invest and develop entities engaged in the infrastructure related projects. As of December 31, 2024, FIVI has not started commercial operations.

Noncontrolling Interests

Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results in the noncontrolling interest having a deficit balance.



New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of new standards effective in 2024. The Group has not early adopted any standards, interpretations or amendments that have been issued but not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosure: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- Adoption of the provisions of Philippine Interpretation Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC Memorandum Circular (MC) No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

Starting January 1, 2024, the Group adopted the remaining provisions of PIC Q&A 2018-12, specifically on: (i) significant financing component, (ii) exclusion of land in the determination of percentage-of-completion (POC), and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*). The Group opted to adopt the changes using the modified retrospective approach effective January 1, 2024 and the impact was recorded in the opening retained earnings. The comparative information is not restated.



The modified retrospective effects of the adoption of the above changes are detailed below:

- i. The Group's adoption of the exclusion of land in the determination of POC did not have an impact as the Group does not consider land costs in the determination of its projects' POC.
- ii. The Group recognized the impact of the (a) adoption of significant financing component, and (b) implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*) as follows:

Consolidated Statements of Financial Position

	As of January 1, 2024		
	As previously stated	Increase (decrease)	As restated
(In Thousands)			
Assets			
Contract assets	₱9,867,642	(₱119,171)	₱9,748,471
Real estate inventories	81,004,413	(6,226,710)	74,777,703
	<u>₱90,872,055</u>	<u>(₱6,345,881)</u>	<u>₱84,526,174</u>
Liabilities			
Deferred income tax liabilities - net	₱10,281,563	(₱2,200,035)	₱8,081,528
Equity			
Retained earnings	119,711,533	(2,810,653)	116,900,880
Noncontrolling interests	40,651,659	(1,335,193)	39,316,466
	<u>₱170,644,755</u>	<u>(₱6,345,881)</u>	<u>₱164,298,874</u>

	Nature of Adjustments Increase (Decrease)		
	Borrowing Cost	Significant Financing Component	Total Adjustments
(In Thousands)			
Assets			
Contract assets	₱-	(₱119,171)	(₱119,171)
Real estate inventories	(6,226,710)	-	(6,226,710)
	<u>(₱6,226,710)</u>	<u>(₱119,171)</u>	<u>(₱6,345,881)</u>
Liabilities			
Deferred income tax liabilities - net	(₱2,170,242)	(₱29,793)	(₱2,200,035)
Equity			
Retained earnings	(2,727,547)	(83,106)	(2,810,653)
Noncontrolling interests	(1,328,921)	(6,272)	(1,335,193)
	<u>(₱6,226,710)</u>	<u>(₱119,171)</u>	<u>(₱6,345,881)</u>



Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

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

Deferred effectivity

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

Material Accounting Policies

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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



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

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

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

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

The Group, in conjunction with the external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - initial recognition and measurement

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at FVPL.

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

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

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



Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date, i.e., the date that an asset is delivered to or by the Group. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Group. Securities transactions and related commission income and expense are recorded also on a settlement date basis. Deposits, amounts due to banks and customers, and loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.

Derivatives are recognized on trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Trade date accounting refers to (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

As of December 31, 2024 and 2023, the Group's financial assets comprise of financial assets at amortized cost, financial assets at FVPL and financial assets at FVOCI.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four (4) categories:

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

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method less any allowance for credit losses, with the calculated interest recognized as interest income under "Other income" line item in the consolidated statement of income.

The Group classified cash and cash equivalents, loans and receivables (excluding advances to officers, employees and sugar planters), investment securities at amortized cost and other financial assets (i.e., deposit to suppliers, returned cash and other cash items, investment in bonds, restricted cash, short term deposits under "Other assets" line items in the statement of financial position).

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost. For the years ended December 31, 2024 and 2023, the Group has not made such designation.



Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at FVOCI include investments in government debt securities and private bonds.

Financial assets designated at FVOCI (equity instruments)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading.

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

The Group's equity instruments at FVOCI include investments in quoted and unquoted equity securities.

Financial assets at FVPL

Debt instruments that do not meet the amortized cost or FVOCI criteria, or that meet the criteria, but the Group has chosen to designate as at FVPL at initial recognition, are measured at FVPL. Equity investments are classified as at FVPL, unless the Group designates an investment that is not held for trading as at FVOCI at initial recognition. Derivative assets classified as at FVPL are those that are not designated under hedge accounting treatment.

The Group's financial assets at FVPL include investments in government securities, private bonds, equity securities held for trading purposes and derivative assets.

Financial assets at FVPL are initially measured at fair value without considering transaction costs. Subsequently, financial assets at FVPL are re-measured at fair value, and fair value gains and losses on these instruments are recognized as "Trading and securities gain (loss)" under "Other income" in the consolidated statement of income. Interest earned on these investments is reported in the consolidated statement of income under "Interest income" while dividend income is reported in the consolidated statement of income under "Other income" when the right of payment has been established. Quoted market prices, when available, are used to determine the fair value of these financial instruments. If quoted market prices are not available, their fair values are estimated based on inputs provided by the *Bangko Sentral ng Pilipinas* (BSP), Bureau of Treasury and investment bankers. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques.



The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the Bankers Association of the Philippines (BAP) closing rate at the date of the statement of financial position. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at FVPL, the foreign exchange component is recognized in the statement of income. For financial assets designated as at FVOCI, any foreign exchange component is recognized in OCI. For foreign currency-denominated debt instruments classified at amortized cost, the foreign exchange gains and losses are determined based on the amortized cost of the asset and are recognized in the consolidated statement of income.

Reclassification of financial assets

Subsequent to initial recognition, the Group may reclassify financial assets only if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- from FVPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVPL or equity financial assets at FVOCI at initial recognition is not permitted.

A change in the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the reporting period following the change in the business model.

Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Day 1' Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial liabilities - subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in 2 categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (loans and borrowings)



Financial liabilities at FVPL

Financial liabilities are classified as at FVPL when the financial liability is either held for trading or is designated as at FVPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Management may designate a financial liability at FVPL upon initial recognition when the following criteria are met, and designation is determined on an instrument by instrument basis:

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

The Group's financial liabilities at FVPL include derivative liabilities.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

As of December 31, 2024 and 2023, loans and borrowings consist primarily of deposit liabilities, bills and acceptance payable, accounts payable, accrued expenses and other liabilities (excluding payables to government), lease liabilities and long-term and short-term debt.

Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as cross currency swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Impairment of Financial Assets and Contract Assets

The Group (excluding banking and financial services)

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for other receivables and a vintage analysis for contracts receivable and contract assets that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.



A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Banking and financial services

Expected credit loss methodology

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is based on reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, and the time value of money. The objective of the impairment model is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are now measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the next 12 months after the reporting date. Lifetime ECLs are credit losses that result from all possible default events over the expected life of a financial instrument

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced SICR since initial recognition. The Group recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced SICR since initial recognition, evidenced by missed payments (for monthly amortizing exposures) and/or the significant increase in the likelihood of default. The Group recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of the financial asset. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

For the movement of accounts to better stages (i.e., from Stage 2 or 3 to Stage 1 or 2):

- Financial instruments are moved to better stages when there is significant improvement to the credit risk such that the criteria for assessment of the better stage are met and there is consistent evidence of good behavior by the borrower.

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired assets. These are recorded at fair value at initial recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

Definition of “default” and “cure”

For the calculations of ECL, the Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes: 1) 91 days past due for amortizing exposures; or 2) non-collection of full amounts at maturity date for non-amortizing loans or bullet-payment loans. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate likelihood of non-payment when an account is under litigation. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is



considered to be no longer in default (i.e., cured) when it no longer meets any of the default criteria and there is sufficient evidence to support full collection thru payments received for at least six (6) months.

Credit risk at initial recognition

The Group has an internal credit assessment process to determine the credit risk of exposures at initial recognition. The Group has separate models for its key portfolios in which the customers are rated using internal credit rating grades. The models incorporate both qualitative and quantitative information.

SICR

The Group monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Group assesses whether there has been a SICR since initial recognition. A set of defined empirical-based rules and expert judgment that discriminate good and bad credit make up the SICR model. For corporate loans and investments to debt-type instruments, accounts are considered to have a SICR if the equivalent probability of default (PD) exceeds the Group's set threshold. The Group also considers an account to have a SICR if contractual payments are more than 30 days past due or the account is considered "watchlist".

Restructuring

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to create a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges. Accounts subjected to distressed restructuring with indications of unlikelihood to pay are categorized as impaired accounts and are initially moved to Stage 3.

Assessment of ECL on a collective basis

The Group calculates ECL either on an individual or collective basis. The Group performs collective impairment by grouping exposures into smaller homogenous portfolios based on a combination of borrower and account characteristics. Accounts with similar attributes (i.e., type of facility) are pooled together for calculating provisions based on the ECL models.

ECL parameters and methodologies

ECL is a function of the PD, exposure at default (EAD) and loss-given default (LGD), with consideration for the expected timing of the loss, and is estimated by incorporating forward-looking economic information and through the use of statistical techniques and/or experienced credit judgment.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or within the remaining life of the exposure for Stage 2. The PD for each individual instrument is modelled based on historical data and is adjusted for current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.



EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts from irrevocable committed credit lines, EAD includes an estimate of any further amounts to be drawn at the time of default (i.e., credit conversion factor). LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recoveries from collections and the sale of foreclosed assets.

Economic overlays

The Group incorporates economic overlays into its assessment of SICR and its measurement of ECL. A broad range of economic overlays are considered as economic inputs, such as Gross Domestic Product (GDP) growth, inflation rates, unemployment rates and interest rates. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect these, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Group's loans and receivables consists of different portfolios, such as auto, corporate, credit card receivables, mortgage loans, as well as other receivables (e.g., personal, branch, emerging enterprise lending, and Department of Education (DepEd) loans). In compliance with PFRS 9, the Group has developed ECL parameters and methodologies for each portfolio, using historical data as well as forward-looking inputs and assumptions.

Undrawn loan commitments

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and undrawn amounts of irrecoverable loan commitments is recognized in "Provision for unused credit line" under "Accounts payable, accrued expenses and other liabilities" line item in the consolidated statement of financial position.

Financial guarantees

Financial guarantees are initially recognized at fair value. Subsequent to initial recognition, the Group's liability under each financial guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement and the amount of related ECL.

Restructured loans

Loan restructuring may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subjected to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized as part of Expenses in the consolidated statement of income.



Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or,
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

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

Modification of financial assets

In certain circumstances, the Group modifies the original terms and condition of a credit exposure to form a new loan agreement on payment schedule. The modification can be given on the borrower’s or counterparty’s current or expected financial difficulty. The modification may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of period payments and accrual of interest and charges.

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered “solely payment for principal and interest”

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

Financial liabilities

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



new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Repurchase Agreements (Securities Sold Under Repurchase Agreement (SSURA))

SSURA under agreements to repurchase at a specified future date (“repos”) are not derecognized from the consolidated statement of financial position. The corresponding cash received, including accrued interest, is recognized as “SSURA” under “Bills and acceptances payable” line item in the consolidated statement of financial position and is considered a loan to the Group, reflecting the economic substance of such transaction.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Real Estate Inventories

Lots, condominium and residential units for sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land acquisition costs and expenses directly related to acquisition;
- Amounts paid to contractors for development and construction; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

In case of sales cancellation, the Group can repossess the properties and hold it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are accounted for as inventories and recognized at its fair value less cost to repossess at the time of cancellation.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventory recognized in consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property sold, including an allocation of any non-specific costs based on the relative size of the property sold.

Land and land development

Land and land development consist of properties with ongoing development that are intended for real estate projects for sale and are carried at the lower of cost and NRV. The cost of land and land development includes the following: (a) land acquisition costs, (b) costs incurred relative to acquisition and transfer of land title in the name of the Group such as transfer taxes and registration fees, (c) costs incurred on initial development of the raw land in preparation for future projects, and (d) borrowing costs. They are transferred to lots, condominium and residential units for sale under “Real estate inventories” when the project plans, development and construction estimates are completed and the necessary permits are secured.



Coal, Spare Parts and Other Inventories

Coal, fuel and spare parts inventories

Coal, fuel and spare parts inventories are measured at the lower of cost and NRV. Cost is determined using the following method per type of inventory:

- Coal fuel - cost is determined using specific identification method on a per shipment basis.
- Diesel fuel and other consumables - cost is determined using the weighted moving average method.
- Spare parts - cost is determined using the first in, first out method.

NRV is the estimated current replacement cost. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Hospitality inventories

Hotel inventories include food, beverages and supplies and are measured at the lower of cost and NRV. Cost is determined using the moving average method. Cost includes acquisition cost and expenses directly related to the purchase and amounts paid to suppliers. NRV for food and beverages is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of supplies inventory is the estimated current replacement cost. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Sugar inventories

Sugar inventories are measured at the lower of cost and NRV. Cost is determined by the weighted average production cost for sugar and, by the moving average method for materials and supplies. Cost includes acquisition cost and expenses directly related to the purchase and production of sugar and amounts paid to suppliers. NRV for sugar is the estimated selling price in the ordinary course of business, less estimated cost of completion and expenses necessary to consummate the sale. Loss on inventory write-down is recognized as part of “Expenses” in the consolidated statement of income.

Investment Properties

Investment properties consist of commercial mall, land, office buildings and other properties held for long-term rental yields and for capital appreciation and land held with undetermined future use. Investment properties also include right-of-use (ROU) assets involving real properties that are subleased to other entities. Investment properties, except for land are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost, less impairment in value, if any. Initial cost of investment properties consists of its purchase price, including taxes and any directly attributable costs of bringing the investment properties to its intended location and working condition, including borrowing costs.

Foreclosed properties are recorded as “Investment properties” upon: (a) entry of judgment in case of judicial foreclosure; (b) execution of the Sheriff’s Certificate of Sale in case of extra-judicial foreclosure; or (c) notarization of the Deed of Dacion in case of dation in payment (dacion en pago). Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value.

Constructions-in-progress (CIP) are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete. CIP is not depreciated until such time as the relevant assets are completed and put into operational use.



For those ROU assets that qualify as investment properties, i.e., those land that are subleased by the Group, these are classified under investment properties. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at cost less amortization and impairment in value.

Expenditures incurred after the investment properties have been put in operations, such as repairs and maintenance costs, are normally charged against income in the period in which costs are incurred. Depreciation of investment properties is computed using the straight-line method over the estimated useful lives (EUL) of these assets as follows:

	Years
Buildings and improvements	10-50
Furniture, fixtures and machineries	5-15

The EUL and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

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

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

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for land that is carried at cost less any impairment in value. These also include ROU assets related to building and machineries.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use including borrowing cost. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

The cost of an item of property, plant and equipment also includes the costs of its dismantling, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item. Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

- a. subject to (b), changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.



- b. the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.
- c. if the adjustment results in an addition to the cost of an asset, the entity shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss.

The depreciable amount of the asset is depreciated over its useful life. Once the related asset reached the end of its useful life, all subsequent changes in the liability shall be recognized in profit or loss as they occur.

CIP is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and are ready for operational use.

Depreciation is calculated on a straight-line basis over the EUL of the assets as follows:

	Years
Buildings	20-50
Coal thermal power plant	10-30
Machinery and equipment	5-20
Transportation equipment	5
Communication equipment	5
Furniture and fixtures	3-5

Leasehold improvements are amortized over the EUL (i.e., three (3) to 15 years) or lease term, whichever is shorter.

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

Investments in Joint Ventures and Associate

A joint arrangement may either be a joint venture or a joint operation.

Investments in joint ventures

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of comprehensive income and consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.



The Group recognizes its share of the losses of the joint venture until its share of losses equals or exceeds the carrying value of its investment in joint venture, at which point the Group discontinues recognizing its share of further losses. The Group restricts the elimination to the amount required to reduce the investment to zero.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in joint venture and its carrying value, and recognizes the loss in the profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in the profit or loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Joint operation

The Group recognizes in relation to its interest in joint operation its: (a) assets, including its share of any assets held jointly; (b) liabilities, including its share of any liabilities incurred jointly; (c) revenue from sale of its share of the output arising from the joint operation; (d) share of the revenue from the sale of the output by the joint operation; and (e) expenses, including its share of any expenses jointly incurred.

The Group's investments in joint arrangements include: East West Ageas Life Insurance Corporation (EWAL; 50.0%), Professional Operations and Maintenance Experts Incorporated (PROMEI; 47.5%), Filinvest-ENGIE Renewable Energy Enterprise, Inc. (FREE; 60.0%), Filinvest-Hitachi Omni Waterworks, Inc. (FHOWI; 60.0%), Spectrum Alabang Properties, Inc. (SAPI; 60.0%), Investree Philippines, Inc. (IPI; 50.0%), Filinvest Corporate City (FCC; 74.0%) and South Station Terminal (SST; 49.0%). Despite the Group's interest of more or less than 50.0% on these entities, these are treated as joint arrangements due to existence of contractual arrangements between the parties.

EWAL, PROMEI, FREE, FHOWI, SAPI and IPI are accounted for as joint ventures while FCC and SST are accounted for as joint operations.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment in an associate is carried at cost, plus post-acquisition changes in the Group's share of net assets of the associate.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. The Group recognizes its share of the losses of the associate until its share of losses equal or exceeds its interest in the associate, at which point the Group discontinues recognizing its share of further losses. Any change in OCI of those investees is presented as part of the Group's OCI. When



there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in an associate and its carrying value, and recognizes the loss within share of profit or loss of an associate reported under "Expenses" in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets, excluding goodwill and branch licenses, are carried at cost, less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income.

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

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Intangible assets include goodwill, Build-Transfer-Operate (BTO) rights, branch licenses, capitalized software, and customer relationships and core deposits. Goodwill is presented separately in the consolidated statement of financial position.



Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following the Group's interest in the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changed in circumstances indicate that the carrying value may be impaired.

Branch licenses

Branch licenses are determined to have indefinite useful lives. These are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortized. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

BTO rights

BTO rights pertain to the cost related to the BTO agreements entered into by the Group. These are carried at cost less accumulated amortization, and impairment loss, if any. These are amortized using the straight-line method over the economic useful life (i.e., 25 years) and assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and method are reviewed at least each reporting period.

Capitalized software

Capitalized software acquired separately is measured at cost on initial recognition. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its EUL of five (5) to 10 years.

Customer relationship and core deposit

Customer relationship and core deposit are intangible assets acquired by the Group through business combination. These intangible assets are initially measured at their fair value at the date of acquisition. The fair value of these intangible assets reflects expectations about the probability that the expected future economic benefits embodied in the asset will flow to the Group.

Following initial recognition, customer relationship and core deposits are measured at cost less accumulated amortization and any accumulated impairment losses. Customer relationship related to the credit cards business is amortized on a straight-line basis over its useful life of 40 years while the customer relationship related to the auto loans business and core deposits are amortized on a straight-line basis over its useful life of 13 and 10 years, respectively.

Repossessed Assets

Repossessed assets comprise of repossessed vehicles which are measured at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis using the remaining useful life from the time of acquisition of the asset. The useful life of other repossessed assets is estimated to be five (5) years.

Biological Assets

Biological assets consist of sugarcane crops. The costs of planting, fertilizers and maintenance incurred for the sugarcane plantations prior to harvest are capitalized to biological assets and are charged to operations as the sugarcane are harvested.



Biological assets are measured at their fair value. The Group uses the future selling price and gross margin of finished goods less future growing costs applied to the estimated volume of harvest as the basis of fair value.

Impairment of Nonfinancial Assets

The carrying values of investment properties, property, plant and equipment, investments in joint ventures and associate and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost of disposal and value-in-use (VIU). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the consolidated statement of income.

For nonfinancial assets, excluding goodwill and branch licenses, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exist, the Group estimates the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of the asset is increased to its recoverable amount but the amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Branch licenses

Branch licenses are tested for impairment annually at the statement of financial position date either individually or at the CGU level, as appropriate. Impairment losses relating to branch licenses can be reversed if there is an increase in the recoverable amount in future periods, provided that the reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognized.



Equity

Capital stock and Additional paid-in capital (APIC)

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. When the shares are issued at a premium, the difference between the proceeds and the par value is credited to APIC account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. Direct cost incurred related to the equity issuance, are charged to APIC account. In the absence of APIC, the direct costs are charged against retained earnings.

Retained earnings

Retained earnings represent accumulated net earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries and accumulated equity earnings from joint ventures and associate included in the consolidated retained earnings are available for dividend declaration when these are declared as dividends by the subsidiaries as approved by their respective Board of Directors (BOD).

Dividends on common shares are deducted from retained earnings when declared and approved by the BOD or shareholders of the Parent Company. Dividends payable is recorded as liability until paid. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

The partial disposal or acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity under "Retained earnings" of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Treasury shares

Own equity instruments which are reacquired are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is charged to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance.

Revenue Recognition

Revenue from contracts with customers

The Group is in the business of providing banking and financial services, power supply and hospitality services. The Group is also in the business of selling real estate development projects and sugar.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements (except when otherwise stated) because it typically controls the goods or services before transferring them to the customers.

The disclosures of significant accounting judgments and estimates relating to revenue from contracts with customers are provided in Note 3.



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

a. Real Estate Operations

Sale of lots, condominium and residential units

- *Revenue from sale of lots, condominium and residential units*

The Group derives its real estate revenue from sale of lots, condominium and residential units. Revenue from the sale of real estate projects under pre-completion stage are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Starting January 1, 2024, in determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the project accomplishment reports prepared by the third-party project managers for high-rise real estate developments and internal project engineers for mid-rise real estate development. The project technical head integrates, reviews and approves the surveys of performance to date of the construction activities of subcontractors.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables is included in the "Contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation, the difference between the fair value of the repossessed property less cost to repossess and the outstanding receivable and related accounts at the time of cancellation is recognized in profit or loss.

- *Costs of sales of lots, condominium and residential units*

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.



Common usage service area (CUSA) charges and air conditioning dues (included as part of 'Rental and related services')

CUSA charges are recognized when the related services are rendered. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Other dues

For the administration fees, electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

Theater and parking sales and snack bar sales (included as part of 'Rental and related services')

Revenue from theater sales is recognized over time using output method when theater services are rendered. Revenue from snack bar sales is recognized at a point in time when goods are actually sold to customers.

b. Hospitality Operations

Hospitality revenues

Hospitality revenues consist of revenue from room related services, sale of food and beverage, gift and souvenir, golf operations and other operating departments. These are accounted for as follows:

- Revenue from sale of food and beverage, and gift and souvenir is recognized at the time the goods are served or delivered.
- Revenue from rooms and/or golf operations is recognized over time as the related services are rendered and/or facilities and amenities are used.
- Revenue from other operating departments is recognized over time as the related services are rendered.

c. Banking and Financial Services

Service charges and penalties

Service charges and penalties earned over a period of time are accrued over that period as the customer simultaneously receives and consumes the benefits provided by the Group. Service charges and penalties are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer and excludes amounts collected on behalf of third parties.

Commissions earned on credit cards

Commissions earned on credit cards are taken up as income upon receipt from member establishments of charges arising from credit availments by credit cardholders. These commissions are computed based on certain agreed rates and are deducted from amounts remittable to member establishments.



Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus certain percentage of cost. The excess over cost is credited to Unearned discount and is shown as a deduction from “Loans and receivables” in the consolidated statement of financial position.

The unearned discount is taken to income over the installment terms and is computed using the EIR method.

Customer loyalty programmes

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The Group allocates a portion of the consideration received from interchange from credit cards to the reward points. This allocation is based on the estimated stand-alone selling prices. The amount allocated to the customer loyalty program is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. Income generated from customer loyalty programmes is recognized as part of “Service charges, fees and commissions” under “Other Income” in the consolidated statement of income.

d. Power and Utility Operations

Power and utility revenues

Power and utility revenues consist of revenue from generation and from sale of retail electricity. Revenue is recognized overtime using output method in the period actual capacity is generated or transmitted since the customer consumes the benefit from the performance of the related dispatched of energy.

As a practical expedient allowed under PFRS 15, the Group recognizes power revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every kilowatt-hour (kwh) of electricity delivered. The transaction price allocated to the remaining performance obligation is not separately disclosed as the Group recognizes revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to invoice.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulation Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

e. Sugar Operations

Sale of sugar and molasses

Revenue from sale of sugar and molasses is recognized at the point when control of the goods is transferred to the customer through the issuance of invoice or when actual payment is received.

Milling revenue

Milling revenue is recognized upon conversion of the planters’ cane into raw sugar based on the fair value of the mill share determined at the average raw sugar selling prices in the week of production.



Contract Balances

Receivables

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

Contract assets

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

Contract liabilities

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

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract (Commission expenses)

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense method is included as part of "Expenses" in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to land acquisition costs.



Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

For real estate operations, the Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within “Costs” and “Expenses” in the consolidated statement of income, respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

a. Real Estate Operations

Rental and related services

Rent income arising from investment properties is recognized in the consolidated statement of income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of tenants, pursuant to the terms of the lease contracts. Leases under contingent rents are recognized as income in the period in which they are earned.

Income from forfeited reservations and collections

Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act (RA) 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Other income

Income is recognized when services are rendered and when goods are delivered.

b. Hospitality Operations

Other income

Other income consists of interest income which is recognized as it accrues taking into account the effective yield of the asset and other income from hospitality operations which is recognized when the related services are rendered or the right to receive payment is established.



c. Banking and Financial Services

Interest income

Under PFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortized cost, interest rate derivatives for which hedge accounting is applied and the related amortization/recycling effect of hedge accounting. Interest income on interest bearing financial assets at FVOCI under PFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability. The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis

Other income

Income from sale of services or properties is recognized when the control of such services or properties are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

d. Power and Utility Operations

Other income

Income from sale of services is recognized upon rendition of the service. Income from sale of goods are recognized upon completion of the earning process and the collectability of the sales price is reasonably assured.



e. Sugar Operations

Other income

Other income includes tolling income, conversion rights income, fertilizer assistance income and storage fees and handling income. Other income is recognized when the related services are rendered and the collectability of the sales price or charges is reasonably assured.

Costs and Expense Recognition

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

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or,
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Retirement Benefit Costs

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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

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

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



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

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

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

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

The Group as a Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

The Group as a Lessee

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

(i) ROU assets

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and



lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group classifies its ROU assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its EUL and the lease term as follows.

	Years
Land	8-52
Building	4-47
Machinery and equipment	22

ROU assets are subject to impairment. Refer to the accounting policies on impairment of nonfinancial assets.

(ii) Lease liabilities

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

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

(iii) Short-term leases and leases of low-value assets

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

Income Taxes

Current income tax

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



Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, except; (a) where deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognized directly in other comprehensive income is recognized in consolidated statement of comprehensive income and not in the consolidated statement of income.

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

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. They are capitalized if directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs in the consolidated statement of financial position.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

For investment properties, interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.



For “Land and land development” under real estate inventories, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended sales, including but not limited to pre-construction activities such as permitting, design, planning and actual land development activities and are not ready to be sold in its current condition.

Prior to January 1, 2024, for “Lots, condominium and residential units for sale” under real estate inventories, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for their intended use. Subsequent to January 1, 2024, these are no longer considered as a qualifying asset and thus, the related borrowing cost are expensed as incurred.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended sale are completed. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

All other borrowing costs are expensed as incurred.

Earnings per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company for the year by the weighted average number of common shares outstanding after giving retroactive effect for any stock dividends, stock options or reverse stock splits during the period.

Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares and bonds. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Foreign Currency Transactions and Translations

The functional and presentation currency of each the Parent Company and its subsidiaries joint ventures and associates is the Philippine Peso, except for the Foreign Currency Deposit Unit (FCDU) of EWBC. For financial reporting purposes, the monetary assets and liabilities of the FCDU and the foreign currency-denominated monetary assets and liabilities of the Group are translated in Philippine Peso based on the closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rate at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities of the Group are credited to or charged against operations in the period in which the rates change. Exchange differences arising from translation of the accounts of the FCDU to Philippine peso as the presentation currency are taken to the consolidated statement of comprehensive income under “Translation adjustments” account.



Nonmonetary items that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the consolidated financial statements where the Group acts in a fiduciary capacity such as nominee, trustee or agent.

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Group expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingencies

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

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is one that provides products or services within a particular economic environment that is subject to risks and returns that are different from those segments operating in other economic environments. The Group's operations are organized according to the nature of products and services provided. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects: (a) the nature of the products and services; (b) the nature of the production processes; (c) the type or class of customer for their products and services; (d) the methods used to distribute their products or provide their services; and (e) if applicable, the nature of the regulatory environment. Financial information on business segments is presented in Note 35.

Events After the Reporting Date

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

3. Material Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any change in



estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

a. Evaluation of business model for managing financial assets and sale of investment securities at amortized cost

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match expected cash outflows and maintain adequate level of high-quality liquid assets while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Group's business model allows for financial assets to be hold-to-collect (HTC) contractual cash flows even when sales of certain financial assets occur. PFRS 9, however, emphasizes that if more than infrequent and more than insignificant sales are made out of a portfolio of financial assets carried at amortized cost, the entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers the following to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with HTC business model if the Group can explain the reason for those sales and why those sales do not reflect a change in the Group's objective for the business model:

- sales or derecognition of debt instrument under any of the circumstances spelled out under the relevant BSP Circulars on PFRS 9;
- sales in preparation for funding a potential aberrant behavior in the depositors' withdrawal pattern triggered by news of massive withdrawals or massive withdrawal already experienced by other systemically important banks in the industry;
- sales attributable to an anticipated or in reaction to major events in the local and/or international arena that may adversely affect the collectability of the debt instrument and seen to prospectively affect adversely the behavior of deposits or creditors; and
- sales that the Asset-Liability Management Committee (ALCO) deems appropriate to be consistent with managing the Group's balance sheet based upon but are not limited to the set risk limits and target ratios that have been approved by the BOD.

b. Testing the cash flow characteristics of financial assets

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.



c. *Revenue recognition - Real estate operation*

- *Existence of a contract*

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as purchase application form and official receipts considering collection from buyer, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price.

- Collectability is also assessed by considering factors such as historical experience with customers and pricing of the property. Management regularly evaluates the historical cancellations, if it would still support its current threshold of customers' equity before commencing revenue recognition.

- *Revenue recognition method and measure of progress*

The Group concluded that revenue from sale of lots, condominium and residential units is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

d. *Contingencies and provisions*

In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe these proceedings will have material effect on the Group's financial position and results of operations.

e. *Determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates*

The Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined, based on its tax compliance review, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.



f. Adoption of a 'no tax' regime for FILRT

As a Real Estate Investment Trust (REIT) entity, FILRT can choose to operate within one of two tax regimes (i.e., a 'full tax' regime or a 'no tax' regime). The REIT entity can effectively operate under a 'no tax' regime provided that it meets certain conditions (e.g., listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income tax-free entity.

As of December 31, 2024 and 2023, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a "no-tax" regime. FILRT did not recognize any deferred taxes in 2024 and 2023.

g. Determination of joint control over investments in joint ventures

Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is presumed to exist when the investors contractually agree on the sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Based on the provisions of the joint venture arrangements, the parties to the joint venture arrangements have to agree in order for any resolution to be passed relating to the joint venture entity's relevant activities. This joint arrangement is classified as a joint venture since the parties have rights to the net assets of the joint venture entity.

h. Accounting for the acquisition of NPHI and CRC

In determining whether a transaction or an event is a business combination, the Group assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs. Based on the provisions of the Share Purchase Agreement to acquire 100% shares of NPHI and CRC (see Note 1), the Group assessed that the acquisition does not constitute a business. In making the judgment, the Group considered that it lacks two (2) of the three (3) components required to meet the definition of a business (i.e., processes and output). While the Group acquired inputs (i.e., land), the Group did not acquire any processes. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of "Land and land development" under "Real estate inventories" line item in the consolidated statement of financial position (see Note 14).

Management's Use of Estimates

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

a. Revenue recognition and measure of progress for real estate sales

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the POC are measured principally on the basis of physical completion of real estate project.



For the years ended December 31, 2024, 2023 and 2022, the sales of lots, condominium and residential units amounted to ₱17,567.0 million ₱16,094.8 million and ₱13,314.7 million, respectively.

b. Determining transaction price of sale of real estate

The Group determines whether a contract contains a significant financing component by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfer the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for the good or service will be one year or less. The Group determined that its transaction price on certain sales of real estate recognized over time includes significant financing component.

c. Evaluation of impairment of loans and receivables, contract assets, financial assets at FVOCI and investment securities at amortized cost

Real estate operations

The Group uses the vintage analysis to calculate ECLs for contracts receivables and contract assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, market segment and collateral type).

The vintage analysis (the model) is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., GDP and inflation rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's contract receivables and contract assets is disclosed in Notes 7 and 13.

Banking and financial services

In 2024 and 2023, the Group made some enhancements and updates in the ECL model as follows:

- updating of the coverage data for the historical components of the model, thus, incorporating the impact of the post-pandemic recovery;
- refinements to the segmentation that further granularizes and therefore, differentiates between borrower behavior
- refinements to the framework for the selection of the base, best and worst economic outlook to be applied to ECL and their corresponding weights or likelihood of occurrence; and
- refinements to the staging criteria of consumer and corporate loans.



The measurement of credit losses under PFRS 9 across all categories of financial assets requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and interdependencies. Significant elements of the models include, among others:

- segmenting the Group's credit risk exposures;
- the Group's definition of default;
- determining the method to estimate ECL;
- identifying exposures with significant deterioration in credit quality;
- determining assumptions to be used in the ECL model such as the counterparty credit risk rating;
- the expected life of the financial asset and expected recoveries from defaulted accounts; and
- incorporating forward-looking information (called overlays) in calculating ECL.

The carrying values of loans and receivables and the related allowance are disclosed in Note 9, while the carrying values of debt financial assets at FVOCI and amortized cost and their related allowances are disclosed in Note 12. Factors considered in doing the impairment assessment are discussed further in Note 37.

Power and utility operations

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

As of December 31, 2024 and 2023, the carrying value of loans and receivables amounted to ₱4,789.1 million and ₱4,862.0 million, respectively (see Note 10).

d. Estimating NRV of real estate inventories

The Group adjusts the cost of its real estate inventories costs to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have significantly increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

As of December 31, 2024 and 2023, the carrying value of real estate inventories amounted to ₱78,900.3 million and ₱81,004.4 million, respectively (see Note 14). No impairment losses were recognized since the carrying values are lower than NRV for the years ended December 31, 2024, 2023 and 2022.



e. Evaluation of impairment of goodwill and branch licenses

Goodwill and branch licenses are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and branch licenses is based on VIU calculations that use a discounted cash flow model. The cash flows are derived from the forecast as approved by the BOD and do not include restructuring activities that the Group is not yet committed to nor significant future investments that will enhance the asset base of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rates used for the discounted cash flow model, as well as the, revenue growth rates gross margins and terminal growth rates used.

Goodwill from acquisition of PSHC and subsidiaries (sugar business)

The pre-tax discount rates used were 7.5% and 7.9% in 2024 and 2023, respectively. The growth rate used beyond the five-year forecast projection was 0.50% in 2024 and 2023. This was based on expected areas to be harvested and the total harvest per area.

Goodwill from various bank acquisitions and branch licenses

Future cash flows from CGUs were estimated based on the theoretical annual income of the CGU. Key assumptions in VIU calculation of the CGUs are most sensitive to: (a) interest margin; (b) discount rates; (c) market share during the budget period; and (d) projected growth rates used to extrapolate cash flows beyond the budget period. The pre-tax discount rate used was 12.3% for American International Group, Inc. Philam Savings Bank Group (AIGPASB), EWRB, Standard Chartered Bank (SCB) and Ecology Savings Bank, Inc. (ESBI) in 2024 and 2023. The average growth rate was derived from average increase in annual income during the last 5 years, while growth rate used to extrapolate cash flows beyond the forecast 5-year period is 6.00% as of December 31, 2024 and 2023.

Goodwill from acquisition of FILRT

The pre-tax discount rates used were 9.40% and 9.6% in 2024 and 2023, respectively. The growth rates used beyond the forecast period for different cash-generating units is 4.0% and 3.8% in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Group has determined that its goodwill and branch licenses are not impaired. The carrying values of goodwill and branch licenses amounted to ₱10,381.2 million and ₱2,167.6 million, respectively, as of December 31, 2024 and 2023 (see Notes 4 and 20).

f. Evaluation of impairment of nonfinancial assets (other than goodwill and branch licenses)

The Group reviews property, plant and equipment, investment properties, investments in joint ventures and associate and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indications are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less cost to sell, or its VIU.

The fair value less cost to sell is the amount to be received from the sale of an asset in an arm's length transaction, while VIU is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.



In 2024, 2023 and 2022, the Group recognized provision for probable losses and, as of December 31, 2024 and 2023, the carrying values of the Group's nonfinancial assets are included in Notes 16, 17, 18 and 20 to the consolidated financial statements.

g. Recognition of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized. Further details are provided in Note 34.

h. Fair value of derivatives

Management applies valuation techniques to determine the fair value of derivatives that are not quoted in active market. Valuation techniques are used to determine fair values which are validated and periodically reviewed by qualified independent personnel. All models are reviewed before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, the models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to develop estimates and assumptions. Changes in assumptions about these factors could affect reported fair values of derivatives. The Group uses judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value measurements of financial instruments (including derivatives) as of December 31, 2024 and 2023 are disclosed in Note 36.

4. Goodwill and Business Combinations

As of December 31, 2024 and 2023, goodwill arising from business combinations in the Group's consolidated statements of financial position consists of (amounts in thousands):

PSHC	₱6,177,310
Standard Chartered Bank (SCB) Philippines' retail banking business, QMIS and ASIA	2,560,561
EWRB and Green Bank, Inc. (GBI)	397,474
FILRT	326,553
Other bank acquisitions	919,254
	₱10,381,152

Goodwill from acquisition of PSHC and subsidiaries

In June 2007, the Parent Company acquired from ALGI 100.0% interest in PSHC in exchange for its own shares. The acquisition of PSHC includes its wholly owned subsidiaries, DSCC, CSCC and HYSFC (the sugar business). The acquisition was accounted for as a business combination and resulted in recognition of goodwill. The value assigned to the sugar business was based on the valuation done by a third-party professional firm, based on factors and assumptions considered relevant at that time. As of December 31, 2024 and 2023, goodwill from the acquisition of PSHC amounted to ₱6,177.3 million.

Asset and share transfer agreement with SCB and SCMB Overseas Limited

On May 6, 2016, EW entered into an Asset and Share Transfer Agreement (the Agreement) with SCB and SCMB Overseas Limited. The acquisition was approved by the BSP on August 8, 2016. On November 25, 2016, after satisfying all the conditions under the Agreement, the transfer of assets and liabilities was completed. This resulted in goodwill amounting to ₱2,560.6 million.



Goodwill from acquisitions of EWRB and GBI

In 2011, the acquisition of GBI resulted in goodwill amounting to ₱374.0 million. In 2012, the acquisition of EWRB resulted in goodwill amounting ₱23.5 million. In October 2013, the branches coming from GBI were combined with the branch operations of EWRB. Consequently, the goodwill from the acquisition of EWRB and GBI were allocated to the branch operations of EWRB, which is considered as a single CGU for purposes of impairment testing.

Goodwill from acquisition of FILRT

In February 2010, FLI acquired 40.0% interests in FILRT from another stockholder to obtain full control of the joint venture. The acquisition resulted in FILRT becoming wholly owned subsidiary of FLI. The acquisition of the joint venture partner's interest was accounted for as business combination and resulted in recognition of goodwill amounting to ₱326.6 million.

Goodwill from other bank acquisitions

The business combination between EWBC and American International Group, Inc. Philam Savings Bank (AIGPASB) in 2009 resulted in goodwill amounting to ₱769.0 million, which has been allocated to the auto and credit cards lending unit acquired from AIGPASB.

The business combination between EWBC and Ecology Savings Banks, Inc. (ESBI) in 2003 resulted in goodwill amounting to ₱172.8 million, which has been allocated to various branches acquired from ESBI. As of December 31, 2024 and 2023, the carrying amount of goodwill, after impairment of ₱22.6 million recognized in prior years, amounted to ₱150.2 million.

5. Subsidiaries with Noncontrolling Interests

The noncontrolling interests in the immediate Parent Company's partially owned subsidiaries as of December 31, as disclosed in Note 2, follows:

	2024	2023
EWBC	22.1%	22.1%
FLI	28.6	35.1
FILRT	48.9	36.7
FBCI	45.0	45.0
FAC	40.0	40.0
PDDC	40.0	40.0
FSMCI	40.0	40.0
TSNC	2.0	2.0
CDC	5.0	5.0
FAI	5.7	5.7

Capped Voluntary Tender Offer

The increase in the noncontrolling interest in FILRT in 2024 is mainly due to FLI's voluntary tender offer where FLI offered 0.32 FILRT shares for every 1.0 FLI shares.

On December 11, 2024, FLI settled its Capped Voluntary Tender Offer, which was filed on October 2, 2024. FLI has reacquired a total of 1,866,000,000 common shares in exchange for 597,120,000 FILRT common shares. As a result of the voluntary tender offer, FLI's interest in FILRT decreased to 51.1% and this resulted to transfer of ₱1,033.6 million from "Retained earnings" to "Noncontrolling interests" in the consolidated statement of changes in equity.



FLI's voluntary tender offer further resulted to increase in FDC's ownership interest to 71.4% as of December 31, 2024.

Additional Investments

On May 2 and March 12, 2024, FDC purchased 125,153,960 and 120,000,000 FLI shares for a total consideration of ₱81.8 million and ₱82.6 million, respectively. These resulted to an increase in the FDC's ownership interest from 64.9% to 65.4% and from 65.4% to 65.9% in March and May 2024, respectively. The related decrease in noncontrolling interests and increase in retained earnings amounted to ₱859.1 million and ₱688.4 million, respectively, in 2024.

Dividend Declarations

Total dividends declared and paid to noncontrolling interests follow:

	Total Dividends Declared			Share of Noncontrolling Interests		
	2024	2023	2022	2024	2023	2022
FLI	₱1,216,488	₱875,871	₱1,142,939	₱419,365	₱306,704	₱405,213
EWBC	1,214,986	922,491	899,991	269,094	203,871	198,898
FILRT	1,237,873	1,389,549	1,976,682	454,671	510,381	726,035
FAC	350,000	375,000	60,000	140,000	150,000	24,000
PDDC	100,000	–	–	40,000	–	–

The summarized financial information of EWBC and FLI, with material noncontrolling interests, are provided below. This information is based on amounts after consolidation but before intercompany eliminations.

Summarized Statements of Financial Position as of December 31, 2024 and 2023

	2024		2023	
	FLI	EW	FLI	EW
	(In Thousands)			
Assets:				
Cash and cash equivalents	₱3,984,191	₱4,233,263	₱5,732,008	₱44,452,833
Loans and receivables	5,741,674	336,410,619	5,302,885	296,615,470
Financial assets at FVPL	–	9,174,276	–	4,112,322
Financial assets at FVOCI	15,535	29,004,906	15,535	18,483,960
Investment securities at amortized cost	–	81,922,750	–	75,401,019
Contract assets	8,439,093	–	9,783,769	–
Real estate inventories	43,991,685	–	45,642,483	–
Investment properties	25,975,429	1,161,268	79,750,724	975,600
Property and equipment	5,812,719	7,400,080	5,673,012	7,164,358
Investment in a joint venture	–	1,125,395	–	993,166
Investment in associates	5,321,210	–	5,219,900	–
Deferred tax assets - net	96,032	4,085,435	48,483	4,098,880
Goodwill	4,567,242	3,877,289	4,567,242	3,877,289
Other assets	17,893,805	8,342,567	15,597,691	8,030,421
Liabilities:				
Deposit liabilities	–	(386,399,033)	–	(356,534,662)
Bills and acceptance payable	–	(40,117,180)	–	(15,403,706)
Accounts payable, accrued expenses and other liabilities	(22,826,680)	(17,395,084)	(20,851,645)	(17,298,914)
Contract liabilities	(610,413)	(853,211)	(2,006,651)	(839,437)
Retirement liabilities	(398,736)	(629,676)	(437,193)	(582,930)
Income tax payable	(71,732)	(200,466)	(83,263)	(297,166)
Long-term and short-term debt	(77,889,232)	–	(74,456,439)	–
Lease liability	(6,930,338)	(6,076,170)	(6,719,861)	(6,073,341)
Deferred tax liabilities - net	(4,817,004)	–	(5,649,153)	–
Total Equity	₱93,335,512	₱73,067,027	₱94,271,872	₱67,175,162



	2024		2023	
	FLI	EW	FLI	EW
	(In Thousands)			
Attributable to:				
Equity holders of the Parent Company	₱69,571,073	₱56,886,507	₱70,088,279	₱52,299,566
Noncontrolling interests	21,047,239	16,180,521	21,801,932	14,875,596
Noncontrolling interests in subsidiaries	2,717,203	-	2,381,661	-

Summarized Statements of Comprehensive Income for the Years Ended December 31, 2024 and 2023

	2024		2023	
	FLI	EW	FLI	EW
	(In Thousands)			
Revenues and other income	₱24,086,862	₱51,247,127	₱22,312,327	₱41,997,156
Equity in net income (loss) of associates and joint venture	359,036	112,745	242,007	(152,335)
Costs and operating expenses	(15,119,780)	(41,843,954)	(15,178,558)	(34,317,755)
Interest and other finance charges	(3,685,747)	-	(2,434,393)	-
Income before income tax	5,640,371	9,515,917	4,941,385	7,527,066
Provision for income tax	(1,004,635)	(1,908,351)	(645,339)	(1,443,770)
Net income	4,635,736	7,607,566	4,296,046	6,083,296
Other comprehensive loss	-	(500,716)	(20,644)	979,787
Total comprehensive income	₱4,635,736	₱7,106,850	₱4,275,380	₱7,063,083
Attributable to noncontrolling interests:				
Net income	₱467,268	₱-	₱530,656	₱-
Total comprehensive income	467,268	-	530,295	(143,506)
Dividends paid to noncontrolling interests	634,671	-	667,223	-

Summarized Statements of Cash Flow Information for the Years Ended December 31, 2024 and 2023

	2024		2023	
	FLI	EW	FLI	EW
	(In Thousands)			
Cash flows from (used in):				
Operating activities	₱7,014,527	(₱17,375,653)	₱9,192,735	(₱6,591,718)
Investing activities	(4,788,412)	(7,061,023)	(4,343,655)	(11,276,949)
Financing activities	(3,973,932)	22,217,106	(5,736,207)	2,955,051
Net decrease in cash and cash equivalents	(₱1,747,817)	(₱2,219,570)	(₱887,127)	(₱14,913,616)

The entire proceeds from FILRT's listing and any subsequent sale thereafter, shall be used in accordance with its reinvestment plan. As a REIT entity, FILRT is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations (IRR). Per Section 8 of the REIT IRR issued by the SEC, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its Deposited Property; provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its Deposited Property. Provided, further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management.



6. Cash and Cash Equivalents

This account consists of:

	2024	2023
	(In Thousands)	
Cash	₱9,538,307	₱13,112,008
Short-term placements	12,184,783	12,302,781
Due from BSP (Note 21)	27,361,439	16,171,987
Due from other banks	2,469,290	2,469,290
Interbank loans receivable (IBLR)	763,554	4,906,080
	₱52,317,373	₱48,962,146

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Short-term placements are made for varying periods of up to three (3) months and earn interest at the respective short-term deposit rates. Interest income earned on the Group's cash and cash equivalents amounted to ₱242.7 million, ₱221.8 million and ₱175.2 million in 2024, 2023 and 2022, respectively (see Note 27).

Interest earned on the Group's Due from BSP, Due from other banks and IBLR amounted to ₱237.2 million, ₱390.5 million and ₱527.2 million in 2024, 2023 and 2022, respectively (see Note 35).

7. Loans and Receivables - Real Estate Operations

This account consists of:

	2024			2023		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Contracts receivable	₱4,717,975	₱-	₱4,717,975	₱3,582,421	₱-	₱3,582,421
Receivables from tenants	2,784,809	-	2,784,809	2,495,211	-	2,495,211
Advances to officers and employees	442,440	-	442,440	437,634	-	437,634
Receivable from government and other financial institutions	557,958	-	557,958	566,778	-	566,778
Receivables from buyers	442,412	-	442,412	414,993	-	437,634
Receivable from sale of joint venture lots	1,364,028	-	1,364,028	862,358	-	862,358
Receivables from Homeowners Associations (HOA)	115,837	-	115,837	168,525	-	168,525
Due from related parties (Note 26)	6,496	-	6,496	24,032	-	24,032
Others	1,067,310	-	1,067,310	828,384	-	828,384
	11,499,265	-	11,499,265	9,380,336	-	9,380,336
Less allowance for ECL	114,380	-	114,380	94,561	-	94,561
	₱11,384,885	₱-	₱11,384,885	₱9,285,775	₱-	₱9,285,775

Contracts receivables are collectible within the year. These receivables arising from real estate sales are collateralized by the corresponding real estate properties sold.

Interest income recognized on contracts receivable and others amounted to ₱199.5 million, ₱174.0 million and ₱178.6 million in 2024, 2023 and 2022, respectively (see Note 27). Interest rates on contracts receivable range from 11.5% to 19.0% per annum in 2024, 2023 and 2022.



The Group has a mortgage insurance contract with Philippine Guarantee Corporation, a government insurance company for a retail guaranty line. As of December 31, 2024 and 2023, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱193.6 million and ₱361.5 million, respectively.

As of December 31, 2024 and 2023, the remaining unutilized guaranty line amounted to ₱1.4 billion.

Receivables from tenants represent charges to tenants for rentals and utilities which are normally collectible within one (1) year.

Advances to officers and employees are advances for project costs, marketing activities, travel and other expenses arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted.

Receivables from government and other financial institutions pertain to government and bank-financed real estate sales. These are collectible within one (1) year.

Receivables from buyers mainly pertain to advances for fit-out funds and other advances relating to insurance and other expenses chargeable to buyers.

Receivables from HOA represent claims of the Group's projects for the payments of expenses on behalf of the associations.

Others represent receivable from service fees and advances for selling, marketing and administrative expenses of international sales offices arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted, among others. Movements in allowance for ECL on receivables from tenants and HOA, which were specifically identified as impaired, follow:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱94,561	₱47,725
Provisions (Note 29)	19,819	46,836
Balance at end of year	₱114,380	₱94,561

8. Loans and Receivables - Hospitality Operations

This account consists of:

	2024	2023
	(In Thousands)	
Trade receivables	₱295,761	₱145,729
Advances to officers and employees	7,134	7,098
Others (Note 26)	93,242	94,743
	₱396,137	₱247,570

Trade receivables pertain to receivables from credit card companies, travel agents and corporate guests, which are noninterest bearing and are collectible within one (1) year.



Advances to officers and employees refer to advances for travel, sales and marketing expenses, insurance and other expenses arising from ordinary course of business. These are liquidated within seven (7) days after actual use of the advances.

9. Loans and Receivables - Banking and Financial Services

This account consists of:

	2024	2023
	(In Thousands)	
Receivables from customers*:		
Consumer lending	₱266,602,986	₱230,111,973
Corporate lending	47,254,031	44,530,303
	313,857,017	274,642,276
Unamortized premium	7,497,247	6,873,004
	321,354,264	281,515,280
Other receivables	13,585,843	11,661,815
	334,940,107	293,177,095
Less allowance for ECL	11,480,756	11,923,717
	₱323,459,351	₱281,253,378

**Net of unamortized modification loss of ₱150.9 million and ₱336.5 million as of December 31, 2024 and 2023, respectively.*

Consumer lending receivables include gross credit card receivables amounting to ₱73,590.7 million and ₱53,912.9 million as of December 31, 2024 and 2023, respectively.

Receivables from customers consist of:

	2024	2023
	(In Thousands)	
Loans and discounts	₱307,846,815	₱268,415,166
Customers' liabilities under letters of credit/trust receipts	5,075,728	4,989,399
Bills purchased	934,474	1,237,711
	₱313,857,017	₱274,642,276

Interest income from these loans and receivables amounted to ₱36,029.4 million, ₱29,222.5 million and ₱21,942.9 million in 2024, 2023 and 2022, respectively (see Note 35).

Movements in allowance for ECL on receivables from customers, which were collectively identified as impaired, follow:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱11,923,717	₱12,230,550
Provisions (Note 29)	9,195,589	6,612,135
Write off	(9,638,550)	(6,918,968)
Balance at end of year	₱11,480,756	₱11,923,717



Provision for credit losses on loans and receivables of the Bank amounted to ₱9.1 billion, ₱6.5 billion, ₱4.8 billion in 2024, 2023 and 2022, respectively (see Note 29).

10. Loans and Receivables - Power and Utility Operations

This account consists of:

	2024	2023
	(In Thousands)	
Trade receivables	₱5,376,210	₱5,230,296
Due from related parties (Note 26)	51	10,380
Other receivables	42,661	10,811
	5,418,922	5,251,487
Less allowance for ECL (Note 29)	629,839	389,525
	₱4,789,083	₱4,861,962

Trade receivables pertain to receivables from electric cooperative for the transmitted power and receivables from water charges. These receivables are noninterest-bearing and are due every 25th of the month of the immediately succeeding billing period.

The allowance pertains to the receivables that were specifically identified as impaired as of December 31, 2024 and 2023.

Other receivables pertain mainly to advances to officers and employees, which will be liquidated or charged against salary.

Movements in allowance for ECL on trade receivables, which were specifically identified as impaired, as of December 31 follow:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱389,525	₱398,760
Provisions for (reversal of) (Note 29)	240,314	(9,235)
Balance at end of year	₱629,839	₱389,525

In 2024 and 2023, additional restructuring agreements were entered by the Group. The restructured amounts shall be paid through monthly installments for a period of one (1) year and shall not bear any interest. Loss on restructured receivables amounted to ₱10.7 million in 2023 (nil in 2024 and 2022).

The trade receivables are subject to late payment interest rate to 3.0% per month based on 360-day year term. The related interest earned on these receivables amounted to ₱61.1 million, ₱163.7 million, ₱105.1 million in 2024, 2023 and 2022, respectively (see Note 27).



11. Loans Receivables - Sugar Operations

This account consists of:

	2024	2023
	(In Thousands)	
Trade receivables	₱37,131	₱31,999
Advances to:		
Sugar planters (Note 33)	136,092	122,213
Officers and employees	5,189	4,327
	178,412	158,539
Less allowance for ECL	24,704	23,900
	₱153,708	₱134,639

Advances to sugar planters pertain to various incentives (i.e., fertilizers, canepoints and tractor services). These are usually offset against the planter's share of sales proceeds.

Advances to officers and employees represent advances for travel, marketing and other expenses, loans availed by employees and officers, including educational and loans arising from ordinary course of business. These are liquidated upon the accomplishment of the purposes for which the advances were granted or deducted from the salaries of officers and employees.

As of December 31, 2024 and 2023, loans and receivables from sugar operations are collectible within one (1) year.

Movements in the allowance for ECL on advances to sugar planters, which were specifically identified to be impaired, as of December 31 follow:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱23,900	₱22,571
Provisions (Note 29)	18,371	18,371
Write-off	(17,567)	(17,042)
Balance at end of year	₱24,704	₱23,900

12. Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income, and Investment Securities at Amortized Cost

The Group has the following trading and investment securities:

Financial Assets at FVPL

This account consists of:

	2024	2023
	(In Thousands)	
Government securities	₱9,163,963	₱4,058,236
Equity securities	10,312	10,379
Private bonds	-	43,707
	₱9,174,275	₱4,112,322



As of December 31, 2024 and 2023, financial assets at FVPL include net unrealized gain (loss) amounting to (₱241.38) million and ₱249.4 million, respectively.

In 2024, 2023 and 2022, the yield rates ranged from 3.2% to 8.4%, 3.9% to 8.0% and 3.0% to 7.8%, respectively.

Financial Assets at FVOCI

This account consists of:

	2024	2023
	(In Thousands)	
Government debt securities	₱21,762,659	₱11,731,842
Private bonds	7,227,180	6,737,050
Quoted equity securities	946,710	906,183
Unquoted equity securities	47,060	36,350
	₱29,983,609	₱19,411,425

In 2024, 2023, and 2022, the interest rates of financial assets at FVOCI range from 0.1% to 8.3%.

The rollforward of revaluation reserve on financial assets at FVOCI is as follows:

	2024	2023
	(In Thousands)	
Balance at beginning of year	(₱518,425)	(₱1,773,792)
Changes in fair value of financial assets at FVOCI	(333,525)	1,255,367
Balance at end of year	(₱851,950)	(₱518,425)

The cumulative net unrealized loss on financial assets at FVOCI (net of the share of noncontrolling interests) presented as “Revaluation reserve on financial assets at FVOCI” amounted to ₱547.8 million and ₱302.6 million as of December 31, 2024 and 2023, respectively.

Investment Securities at Amortized Cost

This account consists of:

	2024	2023
	(In Thousands)	
Government securities	₱80,137,018	₱71,836,021
Private bonds	1,785,732	3,575,706
	81,922,750	75,411,727
Less allowance for impairment losses	-	10,708
	₱81,922,750	₱75,401,019

Peso-denominated government bonds have effective interest rates ranging from 5.0% to 8.0% in 2024, 5.0% to 8.0% in 2023 and 5.0% to 7.1% in 2022. Foreign currency-denominated bonds have EIRs ranging from 4.4% to 6.7% in 2024, 5.0% to 7.1% in 2023 and 2.8% to 6.2% in 2022.

Interest income on trading and investment securities amounted to ₱5,464.0 million, ₱4,330.1 million and ₱3,182.5 million in 2024, 2023 and 2022, respectively (see Note 35).



Trading and securities gain (loss) of the Group on financial assets at FVPL, financial assets at FVOCI, futures and interest rate swaps consist of (see Note 27):

	2024	2023	2022
		(In Thousands)	
Financial assets at FVPL	₱74,891	₱266,982	(₱314,511)
Financial assets at FVOCI	367,980	–	(104,575)
US treasury futures	(41,727)	70,845	23,448
Interest rate swaps	(6)	–	–
	₱401,138	₱337,827	(₱395,638)

13. Contract Balances

Contract Assets and Contract Liabilities

As of December 31, 2024 and 2023, the Group's contract assets amounted to ₱8,436.6 million and ₱9,867.6 million, respectively, while contract liabilities amounted to ₱3,156.4 million and ₱2,996.9 million, respectively.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as contracts receivable. This is reclassified to contracts receivable when the monthly amortization of the customer is already due for collection.

In 2024 and 2023, the Group entered into an Agreement for Purchase of Contract Assets with local banks. The banks agreed to buy the contract assets on a without recourse basis, and the Group agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. In 2024 and 2023, total proceeds from these transactions equivalent to the carrying value of the contract assets sold amounted to ₱11.7 billion and ₱5.4 billion, respectively.

Contract liabilities amounting to ₱2,108.4 million and ₱2,019.1 million as of December 31, 2024 and 2023, respectively, pertains to collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on POC.

Contract liabilities also include deferred credit card and loyalty point, membership fees and dues and deferred exclusive bancassurance access fee amounting to ₱853.2 million and ₱839.4 million, as of December 31, 2024 and 2023, respectively.

Contract liabilities amounting to ₱194.8 million and ₱138.4 million as of December 31, 2024 and 2023, respectively, include deposits received from guests for hotel services.

The movement in contract liability is mainly due to revenue recognition of completed performance obligations. The amount of revenue recognized in 2024 and 2023 from amounts included in contract liabilities at the beginning of the year amounted to ₱450.3 million and ₱767.4 million, respectively.

Performance Obligation

Information about the Group's performance obligations are summarized below:

Real estate operations

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of



contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the (a) lot; (b) house and lot; and (c) condominium unit. There is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the purchase application form and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include downpayment of 20% to 30% of the contract price spread over a certain period (e.g., one (1) to two (2) years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 10 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit. The Group provides one year warranty to repair minor defects on the delivered house and lot and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2024 and 2023 amounted to ₱3.1 billion and ₱2.9 billion, respectively. Performance obligation for the transaction price amounting to ₱2.8 billion and ₱2.5 billion will be satisfied within one year as of December 31, 2024 and 2023, respectively.

The remaining performance obligations expected to be recognized within one year and in more than one (1) year relate to the continuous development of the Group's real estate projects. The Group's mid-rise condominium units and high-rise condominium units are completed within three (3) and five (5) years, respectively, from start of construction while house and lots are expected to be completed within 12 months.

Hospitality operations

The Group's hospitality operations deal with guests who are required to pay hotel room charges which cover room services, or room services and meals. The Group concluded that providing room services and selling of meals are two (2) distinct performance obligation. The hotel room rate is fixed and has no variable consideration. In allocating the hotel room charges, the Group considers the cost plus a predetermined margin for the meals and assigns the remaining transaction price to revenue from room services.

Guests usually pay in advance either in full or partially to guarantee reservation. Guests are required to settle all outstanding bills before check-out. Corporate accounts and travel agencies are required to pay 30 days from billing date.

Revenue from golf operations includes golf playing rights dues, green fees, golf cart rentals and other fees. Revenue from golf operations are recognized over the period the related services are rendered.

Revenue from other operating departments include services availed by guest related to spa, sports, leisure, guest transportation, laundry and telephone and internet connections. These are recognized as revenue when the related services are rendered.



Banking and financial services

Interest income is recognized for all financial instruments measured at amortized cost and interest-bearing financial instruments classified as FVPL. Interest income is recorded at the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as interest income.

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the award credits and the other components of the sale. Income generated from customer loyalty programmes is recognized as “Service charges, penalties, fees and commissions” under “Other income” in the consolidated statement of income.

Service charges, fees and commission income are recognized only upon collection or accrued when there is a reasonable degree of certainty as to its collectability. These fees are generally payable within one (1) year.

Power and utility operations

Power revenues consist of revenue from generated power and power purchased from wholesale electricity spot market (WESM) and from sale of retail electricity. Revenue from power generation pertains to the operation of the 3x135 megawatts (MW) Circulating Fluidized Bed Coal Thermal Power Plant while revenue from sale of retail electricity (non-generation) pertains to the sale to customers of electricity purchased from Wholesale Electricity Spot Market (WESM) which is sold to customers at contract price.

The Group entered into Electric Power Purchase Agreement (EPPA) and retail supply contracts (RSC) with two (2) identified performance obligations: (i) to deliver electric power to customers, and (ii) provide ancillary services to customers. These two (2) performances obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer. Revenue is recognized over time using output method in the period actual capacity is generated since the customer consumes the benefit from the performance of the related dispatch of energy.

As a practical expedient allowed under PFRS 15, the Group recognizes power revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every MW of electricity delivered. The transaction price allocated to the remaining performance obligation is not separately disclosed as the Group recognizes revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to invoice.

Some contracts with customers provide unspecified quantity of energy and/or includes provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

As indicated in the EPPA and RSC, the customer is required to settle within 25 days after the billing cut-off date. In case of delay in payments, a penalty of 3.0% per month is charged for the amount due for the duration of delay. The RSC would typically require a customer to pay a security deposit equivalent to projected highest monthly power bill for the first contract year of the contract to serve as a guarantee for payment of obligation, with the excess to be returned to the customer.



While the EPPA provides for a fixed fee for every MW of electricity delivered, this fee cannot be billed by the Company to the customers without the approval of ERC.

The Group considers the price differential as a variable consideration as it is susceptible to factor outside the entity's influence (i.e., approval of ERC of the rates and manner of recovery). Pending receipt of the final ERC-approved rates, the Group only recognizes revenue from price differential once the final approved rate is granted by ERC, including the applicable recovery scheme. The Group recognizes power revenue based on ERC-approved rates, or time-of-use rates when there are no ERC-approved rates.

The Group assessed that it is acting as the principal in its RSC arrangements with customers. The Group has assessed that it has the control over the specified good or service before it is transferred to the customers as evidenced by the Power Supply Agreement (PSA) with power suppliers. The Group assessed that it is primarily responsible for providing the services to the customers, has the latitude in establishing prices, and bears the customer's credit risk for the amount of receivable from the customers.

Sugar operations

The Group enters into milling contracts with various planters, which provide for profit-sharing between the planters and the Group of the sugar and molasses produced in the sugar mill. The milling contracts are effective for a period of 15 agricultural crop years, subject to extension of another 15 crop years at the option of the Group (see Note 33).

Revenue from processing of the planters' sugarcane to raw sugar (milling) and planter's and other third party's raw sugar into refined sugar (tolling) is recognized over time as the customer receives the benefit from the performance of the related service.

Revenue from sugar sales is recognized at a point when control over the sugar and molasses are transferred to the customer through the issuance of invoice or when actual payment is received.

Cost to Obtain Contracts and Contract Fulfillment Assets

The rollforward of the cost to obtain contract included in other assets is as follows:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱367,514	₱473,852
Additions	734,410	632,296
Amortization (Note 29)	(811,308)	(738,634)
Balance at end of year (Note 20)	₱290,616	₱367,514

Amortization of cost to obtain contract is recognized as part of "Commission" under "Expenses" in the consolidated statements of income.

For the years ended December 31, 2024 and 2023, additions of contract fulfillment assets amounted to ₱732.1 million and ₱648.7 million, respectively, while amortization of contract fulfillment costs amounted to ₱1.0 billion and ₱1.07 billion, respectively. Contract fulfillment assets is included as part of real estate inventories.



The Group reviews its major contracts to identify indicators of impairment of contract fulfillment assets by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

In determining the estimated amount of consideration, the Group used the same principles as it does to determine the contract transaction price.

In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates on cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

14. Real Estate Inventories

This account consists of:

	2024	2023
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	₱46,893,492	₱47,726,560
Land and land development	32,006,824	33,277,853
	₱78,900,316	₱81,004,413

A summary of the movement in lots, condominium and residential units for sale is set out below:

	2024	2023
	(In Thousands)	
Balances at beginning of year	₱47,726,560	₱46,681,349
Effect of adoption of IFRIC Agenda Decision on PAS 23, <i>Borrowing Cost</i> (Note 2)	(6,226,710)	-
Balance at January 1, as adjusted	41,499,850	46,681,349
Construction/development costs incurred	12,300,446	7,682,932
Transfer from land and land development	805,103	648,649
Transfer from investment properties (Note 16)	42,952	-
Capitalized borrowing costs (Note 24)	-	699,846
Addition through asset acquisition (Notes 1 and 3)	-	452,578
Land acquired during the year	-	95,531
Costs of inventories sold (Note 28)	(7,754,859)	(8,534,325)
Balances at end of year	₱46,893,492	₱47,726,560

Capitalized borrowing costs amounted to nil, ₱699.8 million, and ₱576.1 million in 2024, 2023 and 2022, respectively. The capitalization rates used were 5.2% and 4.7% in 2023 and 2022, respectively.



A summary of the movements in land and land development is set out below:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱33,277,853	₱32,978,012
Site development and incidental costs	1,071,201	897,379
Land acquisitions (Notes 1 and 3)	52,668	51,111
Transferred to lots, condominium and residential units for sale	(805,103)	(648,649)
Transferred to investment properties (Note 16)	(1,589,795)	-
Balance at end of year	₱32,006,824	₱33,277,853

Borrowing costs capitalized as part of land and land development costs, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱766.2 million, ₱620.2 million and ₱430.6 million in 2024, 2023 and 2022, respectively (see Note 24). Capitalization rates used were 5.5% in 2024, 5.2% in 2023 and 4.7% in 2022.

15. Coal, Spare Parts and Other Inventories

This account consists of:

	2024	2023
	(In Thousands)	
Power inventories - at cost		
Spare parts	₱748,493	₱473,789
Coal	647,422	697,350
Fuel and others	189,261	151,313
	1,585,176	1,322,452
Sugar inventories		
Materials and supplies - at NRV	233,972	52,503
Sugar and molasses - at cost	482,633	192,721
	716,605	245,224
Hospitality inventories - at cost		
Food and beverage	47,533	41,329
Others	47,740	56,767
	95,273	98,096
	₱2,397,054	₱1,665,772

These inventories are not pledged or used as collateral to secure any obligation as of December 31, 2024 and 2023.



16. Investment Properties

The rollforward analysis of this account as of December 31 follows:

2024						
	Land	Buildings and Improvements	Furniture, Fixtures and Machineries	Construction in Progress	ROU Assets	Total
(In Thousands)						
Cost						
Balances at beginning of year	₱36,306,376	₱32,559,764	₱407,783	₱35,980,496	₱3,951,410	₱109,205,829
Additions	457,165	2,062,328	42,170	3,315,357	-	5,877,020
Disposals/transfers/others (Notes 14 and 17)	1,570,983	(291,559)	-	-	(39,986)	1,239,438
Balances at end of year	38,334,524	34,330,533	449,953	39,295,853	3,911,424	116,322,287
Accumulated depreciation and amortization						
Balances at beginning of year	-	9,806,502	396,713	-	688,748	10,891,963
Depreciation and amortization (Notes 28 and 29)	-	1,322,077	26,651	-	174,161	1,522,889
Disposals/reclassifications/others (Notes 14 and 17)	-	245,731	(8,541)	-	(29,993)	207,197
Balances at end of year	-	11,374,310	414,823	-	832,916	12,622,049
Accumulated impairment loss						
Balances at beginning of year	63,405	10,183	-	-	-	73,588
Provision for probable losses (Note 29)	11,110	2,551	-	-	-	13,661
Disposals/transfers (Note 17)	(20,161)	(7,890)	-	-	-	(28,051)
Balances at end of year	54,354	4,844	-	-	-	59,198
Net book values	₱38,280,170	₱22,951,379	₱ 35,130	₱39,295,853	₱3,078,508	₱103,641,040

2023						
	Land	Buildings and Improvements	Furniture, Fixtures and Machineries	Construction in Progress	ROU Assets	Total
(In Thousands)						
Cost						
Balances at beginning of year	₱36,668,361	₱29,329,777	₱504,093	₱34,327,269	₱3,832,614	₱104,662,114
Additions	220,437	3,305,836	25,769	1,653,227	200,169	5,405,438
Disposals/reclassifications/others (Note 17)	(582,422)	(75,849)	(122,079)	-	(81,373)	(861,723)
Balances at end of year	36,306,376	32,559,764	407,783	35,980,496	3,951,410	109,205,829
Accumulated depreciation and amortization						
Balances at beginning of year	-	8,175,724	377,478	-	535,000	9,088,202
Depreciation and amortization (Notes 28 and 29)	-	1,681,261	19,235	-	153,748	1,854,244
Disposals/reclassifications/others (Note 17)	-	(50,483)	-	-	-	(50,483)
Balances at end of year	-	9,806,502	396,713	-	688,748	10,891,963
Accumulated impairment loss						
Balances at beginning of year	57,592	12,954	-	-	-	70,546
Provision for probable losses (Note 29)	14,261	1,725	-	-	-	15,986
Disposals	(8,448)	(4,496)	-	-	-	(12,944)
Balances at end of year	63,405	10,183	-	-	-	73,588
Net book values	₱36,242,971	₱22,743,079	₱11,070	₱35,980,496	₱3,262,662	₱98,240,278

The Group's investment properties include land and buildings utilized in mall operations, real estate properties and land improvements acquired in settlement of loans and receivables from banking operations, and other properties held for long-term rental yields and for capital appreciation.

Construction-in-progress pertains to buildings under construction to be leased as retail and office spaces upon completion.

Borrowing costs capitalized as part investment properties amounted to ₱1,439.0 million, ₱944.8 million and ₱858.3 million in 2024, 2023 and 2022, respectively (see Note 24). Capitalization rates used ranged from 4.3% to 6.6% in 2024, 4.3% to 6.7% and 3.6% to 6.1% in 2024, 2023 and 2022, respectively.

The aggregate fair value of the Group's investment properties amounted to ₱350.4 billion as of December 31, 2024. The fair values are based on third party appraisals performed for certain assets by an SEC-accredited independent appraiser and management appraisal updated using current and year-end values and assumptions. The fair value of buildings was determined using the income



approach based on discounted cash flow analysis. The fair value of land was determined using the income approach based on discounted cash flow analysis and market approach.

Under income approach, all expected cash flow from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. Under market approach, the fair value of investment properties was determined on the basis of recent sales of similar properties in the same areas as the investment properties, taking into account the economic conditions prevailing at the time the valuations were made.

The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertain to lease income growth rate and discount rate. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the lease income growth rate is accompanied by a directionally similar change in the fair value of the Group's investment properties.

The Group has no restrictions on the realizability of the investment properties.

Rental and related services revenues from investment properties amounted to ₱8,020.7 million, ₱7,208.4 million and ₱6,441.6 million in 2024, 2023 and 2022, respectively (see Note 35). Costs of rental and related services (excluding amortization of BTO rights) from investment properties amounted to ₱3,473.3 million, ₱2,754.0 million and ₱2,193.4 million in 2024, 2023 and 2022, respectively (see Note 28).

The Group's investment properties are not pledged or used as collateral to secure any obligation as of December 31, 2024 and 2023

17. Property, Plant and Equipment

The rollforward analysis of this account as of December 31 follows:

	2024								Total
	Land and Buildings	Coal Thermal Power Plant (Note 24)	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures & Communication Equipment	Leasehold Improvements	Construction in Progress	ROU Assets	
(In Thousands)									
Cost									
Balances at beginning of year	₱11,999,634	₱30,519,847	₱7,682,688	₱422,674	₱10,722,073	₱4,643,056	₱3,062,972	₱9,394,307	₱78,447,251
Additions	403,003	–	481,768	35,267	767,863	372,589	3,120,144	1,067,260	6,247,894
Transfers/others (Note 16)	(214,391)	(73,268)	326,790	(52,453)	569,990	(195,565)	(123,754)	(5,911)	231,438
Balances at end of year	12,188,246	30,446,579	8,491,246	405,488	12,059,926	4,820,080	6,059,362	10,455,656	84,926,583
Accumulated depreciation, amortization and impairment loss									
Balances at beginning of year	3,131,258	7,883,666	4,307,011	329,867	4,538,713	3,759,203	–	5,243,649	29,193,367
Depreciation and amortization (Notes 28 and 29)	241,789	1,150,731	289,883	39,474	683,393	93,512	–	1,059,071	3,557,853
Transfers/others (Note 16)	441,662	(39,242)	269,412	(61,031)	(239,609)	(86,638)	–	–	284,554
Balances at end of year	3,814,709	8,995,155	4,866,306	308,310	4,982,497	3,766,077	–	6,302,720	33,035,774
Net book value	₱8,373,537	₱21,451,424	₱3,624,940	₱97,178	₱7,077,429	₱1,054,003	₱6,059,362	₱4,152,936	₱51,890,809



2023									
	Land and Buildings	Coal Thermal Power Plant (Note 24)	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures & Communication Equipment	Leasehold Improvements	Construction in Progress	ROU Assets	Total
(In Thousands)									
Cost									
Balances at beginning of year	₱12,612,348	₱30,048,664	₱7,375,047	₱359,269	₱10,143,664	₱4,500,605	₱2,569,661	₱8,374,545	₱75,983,803
Additions	138,151	247,674	307,641	63,405	597,075	150,062	716,820	1,019,762	3,240,590
Transfers/others (Note 16)	(750,865)	223,509	–	–	(18,666)	(7,611)	(223,509)	–	(777,142)
Balances at end of year	11,999,634	30,519,847	7,682,688	422,674	10,722,073	4,643,056	3,062,972	9,394,307	78,447,251
Accumulated depreciation, amortization and impairment loss									
Balances at beginning of year	3,810,452	6,791,644	4,043,729	303,156	4,231,896	3,711,515	–	3,808,082	26,700,474
Depreciation and amortization (Notes 28 and 29)	187,284	1,092,022	263,282	26,711	325,862	47,688	–	1,435,567	3,378,416
Transfers/others (Note 16)	(866,478)	–	–	–	(19,045)	–	–	–	(885,523)
Balances at end of year	3,131,258	7,883,666	4,307,011	329,867	4,538,713	3,759,203	–	5,243,649	29,193,367
Net book value	₱8,868,376	₱22,636,181	₱3,375,677	₱92,807	₱6,183,360	₱883,853	₱3,062,972	₱4,150,658	₱49,253,884

Construction in progress pertains to buildings under construction which will be used in the operations of the Group. These are not depreciated until such time as the relevant assets are completed and put into operational use.

Construction in progress consists primarily of construction costs, professional services, including architectural and construction management and expenses in relation to the major renovations and landscaping of the Group's hospitality buildings.

Typhoon Odette

Certain portions of the resort in Mactan, Cebu were physically damaged by Typhoon Odette when it made landfall in December 2021 resulting in halted operations beginning December 16, 2021. The resort has since reopened partially its specialty food and beverage outlet and guest rooms from February and April 2022, respectively, until July 2022 when its renovation and rehabilitation have commenced simultaneously. The property is covered by insurance.

Certain properties, plant and equipment are used as collateral to secure loans as of December 31, 2024 and 2023 (see Note 24).

18. Investments in Joint Ventures and Associate

The carrying value of the Group's investments in joint ventures and associate as of December 31 follows:

	2024	2023
(In Thousands)		
<i>Investments in joint ventures</i>		
EWAL	₱1,125,394	₱993,166
SAPI	454,732	454,375
FREE	32,833	34,314
PROMEI	8,399	12,038
IPI	6,749	6,749
FHOWI	4,516	31,602
	1,632,623	1,532,244
Less allowance for impairment losses	64,034	64,034
	1,568,589	1,468,210
<i>Investment in an associate</i>		
LIPAD	442,250	438,926
	₱2,010,839	₱1,907,136



Investments in Joint Ventures

Below is a summary of certain financial information concerning these individually immaterial joint ventures:

	2024	2023
	(In Thousands)	
Acquisition cost		
Balance at beginning of year	₱4,215,458	₱4,001,260
Additions	–	216,000
Reclassification due to step-acquisition (Note 1)	–	(1,802)
Balance at end of year	4,215,458	4,215,458
Accumulated share in net loss		
Balance at beginning of year	(2,684,463)	(2,530,080)
Share in net gain (loss) (Note 29)	112,309	(125,146)
Reclassification due to step-acquisition (Note 1)	–	(29,237)
Balance at end of year	(2,572,154)	(2,684,463)
Accumulated share in OCI		
Balance at beginning of year	1,249	724
Share in OCI	(11,930)	525
Balance of end of year	(10,681)	1,249
	₱1,632,623	₱1,532,244

EWAL

On May 28, 2015, EWBC and Ageas Insurance International N.V. (“Ageas”) entered into a joint venture agreement to form EWAL to engage in the life insurance business with a capitalization of ₱2,010.0 million and with ultimate ownership interest of EWBC of 50.0% less 1 share. EWBC’s initial investment amounted to ₱500.0 million. The joint venture agreement provided certain conditions that should be satisfied for the consummation of the agreement, which include among others, obtaining all the required regulatory approvals. In October 2015, the SEC approved the registration of EWAL. The registered office address of EWAL is at One World Place, 32nd Street, Bonifacio Global City, Taguig City.

In November 2015, EWAL and EWBC entered into a 20-year exclusive distribution agreement. Under the distribution agreement, EWAL will have exclusive access to the branch network of EWBC for the distribution of its insurance products (the exclusive bancassurance access). Under the joint venture agreement, within a period of seven (7) years from consummation, the joint venture entity may at any time request for additional funding from EWBC and Ageas. EWBC and Ageas each infused additional capital to EWAL amounting to ₱216.0 million and ₱575.0 million in 2022, respectively.

Share in net income (loss) of EWAL amounted to ₱112.7 million, (₱152.3 million) and (₱228.6 million) in 2024, 2023 and 2022, respectively (see Note 29).

Total costs of investment in EW Ageas Life amounted to ₱3,511.0 million with carrying value of ₱1,125.4 million and ₱993.2 million, respectively, as of December 31, 2024 and 2023.

SAPI

SAPI was incorporated on December 16, 2019 to engage in developing, constructing, establishing, operating, leasing, maintaining, rehabilitating and/or managing commercial, recreational facilities, retail centers, residential, office buildings, mixed-use development, infrastructure and other related activities. The incorporation of SAPI was in pursuant to a joint venture agreement between FAI and



Mitsubishi Corporation, a public company located in Japan, on October 3, 2019, with 60% and 40% ownership interests over SAPI, respectively.

As of December 31, 2024, SAPI has not started its commercial operations.

Share in net income (loss) of SAPI amounted to ₱0.4 million, (₱5.9 million) and ₱6.2 million in 2024, 2023 and 2022, respectively.

Total costs of investment in SAPI amounted to ₱573.9 million, with carrying value of ₱454.7 million and ₱454.4 million as of December 31, 2024 and 2023, respectively.

FHOWI

On August 20, 2019, FDC and Hitachi Aqua-tech Engineering Pte. Ltd. (Hitachi) entered into a joint venture agreement to form FHOWI with the primary purpose of operating waterwork, sewerage and sanitation systems and services. On October 29, 2019, FHOWI was incorporated with 60.0% owned by FDC and 40.0% owned by Hitachi. The registered office address of FHOWI is at Unit D, 11/F Cyber Sigma Building, Lawton Avenue, Mckinley West, Barangay Fort Bonifacio, 1630 Taguig City, Metro Manila.

The costs of investment in FHOWI amounted to ₱20.7 million, with carrying value ₱4.5 million and ₱31.6 million as of December 31, 2024 and 2023, respectively.

PROMEI

On July 4, 2019, PROMEI, a joint venture company with ENGIE was incorporated to operate, maintain and repair existing and future technical systems, including but not limited to heating, ventilation and air conditioning systems and distributed energy systems, and implement new technologies in connection with saving energy and reducing operating costs. PROMEI is 47.5% owned by FDC and 52.5% owned by ENGIE. The registered office address of PROMEI is at Unit 2103, The Orient Square, F. Ortigas, Jr. Rd. Ortigas Centre, San Antonio, Pasig city. The costs of investment in PROMEI amounted to ₱12.0 million, with carrying value ₱8.4 million and ₱12.0 million as of December 31, 2024 and 2023, respectively.

FREE

On October 16, 2018, FDCUI entered into a joint venture agreement with ENGIE Services Philippines (ENGIE) to incorporate FREE. On November 22, 2018, FREE was incorporated in which the group owns 60% of the outstanding shares. Its primary purpose is to engage in the business of installation and/or operation of renewable energy systems/facilities including batteries utilize renewable energy resources.

The costs of investment in FREE amounted to ₱37.5 million, with carrying value ₱34.3 million and ₱32.8 million as of December 31, 2024 and 2023, respectively.

IPI

On October 31, 2019, FDC and Investree SG entered into a joint venture agreement to form IPI to engage in the business of software integration and providing IT solution. On May 6, 2020, IPI was incorporated. IPI is 50.0% owned by FDC and 50.0% owned by Investree SG. Subsequently, on March 26, 2021, FDC entered into a Deed of Assignment to sell its 50% ownership in IPI to FDEV amounting to ₱6.5 million.

The office address of IPI is at Unit 3012, Park Triangle Corporate Plaza North, 32nd Street corner 11th Avenue Brgy. Fort Bonifacio, Bonifacio, Taguig.



The costs of investment in IPI amounted to ₱64.0 million, carrying value of ₱6.7 million as of December 31, 2024 and 2023.

In 2023, FDEV determined that its investment in IPI is subject for impairment since the operating partner is no longer willing to provide additional capital infusion which resulted to impairment losses amounting to ₱64.0 million. FDEV also impaired its advances to IPI amounting to ₱42.8 million (see Note 29).

CHI

CHI is a joint venture between FDC and Archipelago International Pte. Ltd. (AIPL), a corporation registered in Singapore. CHI was incorporated in the Philippines and is operating as the management entity of the Group's hotels including Crimson Filinvest City Manila, Crimson Resort and Spa Mactan, Quest Hotel and Conference Center (QHCC) Cebu, QHCC Clark and Mimosa Golf Clark, Crimson Resort and Spa Boracay, Quest Hotel Tagaytay and Timberland Highlands Resort. CHI is 60.0% owned by FDC and 40.0% owned by AIPL. The registered office address of CHI is at 8th Floor, Vector Two Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City.

On October 2, 2023, Archipelago International Pte. Ltd., (AIPL) entered into a Deed of Assignment for its 40% ownership in CHI for a total consideration of ₱50.0 million. This resulted to FDC's 100% ownership interest in CHI as of December 31, 2024 and 2023 (see Note 1).

The cost of investment in CHI amounted to ₱1.8 million as of December 31, 2022. The Group's share in net income of CHI amounted to ₱19.0 million from January 1, 2023 to October 1, 2023 and ₱7.5 million in 2022 (see Note 29).

Investment in an Associate

LIPAD

On February 18, 2019, LIPAD was incorporated to engage in the operation and maintenance of airports. LIPAD is owned 42.5% by FDC, 33.0% by JG Summit Holdings Inc. (JGSHI), 15.0% by Changi Airports Philippines (I) Pte. Ltd. (CAP) and 9.5% by the Philippine Airport Ground Support Solutions, Inc. (PAGSSI) (collectively referred to as "North Luzon Airport Consortium" or "NLAC").

On January 21, 2019, NLAC signed the contract that grants a 25-year concession to the consortium to develop the commercial assets, operate and maintain project facilities and fit-out the new terminal in Clark.

LIPAD's commercial operations started on August 16, 2019 upon the transfer of the operations and maintenance of Clark International Airport (CIA). On June 7, 2021, the FDC signed a Shareholders' Agreement (SHA) with JG Summit Holdings Inc., Philippine Airport Ground Support Solutions Inc. and Changi Airports Philippines (I) Pte. Ltd. In connection with their ownership interest. Based on the SHA, the Group continues to have a significant influence in LIPAD.

The registered office address of LIPAD is at Clark Field, Clark Freeport Zone, Andres Bonifacio Avenue, Clark Special Economic Zone, Dau, Mabalacat City, Pampanga.



The movements in the investment in LIPAD is summarized below:

	2024	2023
	(In Thousands)	
Acquisition cost	₱595,000	₱595,000
Accumulated share in net loss		
Balance at beginning of year	(156,074)	(134,247)
Share in net income (loss) (Note 29)	3,324	(21,827)
Balance at end of year	(152,750)	(156,074)
	₱442,250	₱438,926

The joint ventures and associate have no contingent liabilities or capital commitments as of December 31, 2024 and 2023.

19. Trust Operations

Securities and other properties held by EWBC in fiduciary or agency capacity for clients and beneficiaries are not included in the accompanying consolidated statements of financial position since these are not assets of EWBC. The combined trust and managed funds operated by the Trust Department of EWBC amounted to ₱69.1 billion and ₱61.5 billion as of December 31, 2024 and 2023, respectively.

Government securities with a total face value of ₱765.0 million and ₱610.0 million as of December 31, 2024 and 2023, respectively, are deposited with the BSP in compliance with current banking regulations related to EWBC's trust functions. These government securities are recorded as part of investment securities at FVTPL and at amortized costs as of December 31, 2024 and 2023.

In accordance with BSP regulations, 10.0% of the profits realized by EWBC from its trust operations are appropriated to surplus reserves. The yearly appropriation is required until the surplus reserves for trust operations amounts to 20.0% of EWBC's authorized capital stock.

EWBC's income from its trust operations amounted ₱137.2 million, ₱126.7 million and ₱121.2 million in 2024, 2023 and 2022, respectively (see Note 27).

20. Other Assets

This account consists of:

	2024	2023
	(In Thousands)	
Intangible assets		
BTO rights (Note 33)	₱6,240,240	₱6,296,211
Branch licenses	2,167,600	2,167,600
Capitalized software	1,011,007	822,738
Customer relationship and core deposits	96,327	106,446
	9,515,174	9,392,995

(Forward)



	2024	2023
	(In Thousands)	
Restricted cash (Note 24)	₱5,972,986	₱6,250,087
Input taxes	4,642,449	4,456,467
Advances to contractors and suppliers	3,915,716	2,413,916
Creditable withholding taxes	3,036,684	2,075,731
Repossessed assets	2,427,304	2,022,310
Prepaid expenses	2,294,610	2,174,632
Deposits	769,523	624,092
Card acquisition cost	512,704	409,531
Construction materials and supplies	507,371	456,367
Cost to obtain contracts (Note 13)	290,616	367,514
Deferred costs	287,164	293,482
Advances to joint venture partners	258,718	311,157
Equity on car plan	180,371	162,658
Short-term deposits	179,750	96,332
Investment in bonds	150,000	150,000
Margin account	137,853	167,996
Stationery and supplies on hand	129,688	78,517
Documentary stamps	121,322	192,146
Derivative assets (Notes 36, 37 and 38)	83,133	21,812
Deposits to suppliers	71,867	49,030
Biological assets (Notes 28 and 33)	46,958	38,518
Interoffice items	7,088	2,460
Others	1,287,533	1,264,280
	36,826,582	33,472,030
Less allowance for impairment losses (Note 29)	176,971	157,456
	₱36,649,611	₱33,314,574

a. Intangible assets include:

BTO Rights

BTO rights pertain to the cost related to the BTO agreement with The Province of Cebu (Cebu Province) entered on March 26, 2012. The BTO project relates to the development, construction, and operation of the Business Process Outsourcing (BPO) Complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

In 2024, 2023 and 2022, related amortization recognized as part of Cost of rental and related services amounted to ₱140.7 million, ₱70.6 million and ₱173.1 million, respectively (see Note 28). Related rent income amounting to ₱466.1 million, ₱455.5 million and ₱290.6 million in 2024, 2023 and 2022, respectively, was recognized as part of “Rental and related services revenues” in the consolidated statements of income.

Interest incurred capitalized amounted to ₱64.8 million, ₱90.7 million and ₱46.3 million in 2024, 2023 and 2022, respectively

Branch licenses

As of December 31, 2024 and 2023, branch licenses amounting to ₱2,167.6 million represents:

- one (1) branch license acquired by EWBC from the BSP amounting to ₱0.20 million in 2015;
- 25 branch licenses acquired by EWBC from the BSP amounting to ₱505.20 million in 2014;
- 10 branch licenses acquired by EWBC from the BSP amounting to ₱214.80 million in 2013;



- 42 branch licenses acquired by EWBC from the BSP amounting to ₱822.00 million in 2012; and
- 46 branch licenses acquired by EWBC from the acquisition of GBI amounting to ₱625.40 million in 2011.

Capitalized software

Capitalized software pertains to costs of computer software licenses and programs acquired by the Group for its banking and power and utility operations.

Customer relationship and core deposits

The business combination between EWBC and AIGPASB in 2009 resulted in the acquisition of customer relationship and core deposits amounting to ₱154.6 million and ₱40.4 million, respectively.

The business combination between EWBC and SCB in 2016 resulted in the acquisition of core deposits amounting to ₱64.7 million.

The rollforward analysis of the Group's intangible assets with finite lives as of December 31 follows:

	2024			Total
	BTO Rights	Capitalized Software	Customer Relationship and Core Deposits	
	(In Thousands)			
Cost				
Balances at beginning of year	₱6,863,079	₱2,678,913	₱264,500	₱9,806,492
Additions	84,717	436,439	–	521,156
Balances at end of year	6,947,796	3,115,352	264,500	10,327,648
Accumulated amortization				
Balances at beginning of year	566,868	1,856,175	158,054	2,581,097
Amortization (Notes 28 and 29)	140,688	248,170	10,119	398,977
Balances at end of year	707,556	2,104,345	168,173	2,980,074
Net book value	₱6,240,240	₱1,011,007	₱96,327	₱7,347,574
	2023			
	BTO Rights	Capitalized Software	Customer Relationship and Core Deposits	Total
	(In Thousands)			
Cost				
Balances at beginning of year	₱5,997,831	₱2,432,253	₱264,500	₱8,694,584
Additions	865,248	246,660	–	1,111,908
Balances at end of year	6,863,079	2,678,913	264,500	9,806,492
Accumulated amortization				
Balances at beginning of year	496,263	1,663,463	143,628	2,303,354
Amortization (Notes 28 and 29)	70,605	192,712	14,426	277,743
Balances at end of year	566,868	1,856,175	158,054	2,581,097
Net book value	₱6,296,211	₱822,738	₱106,446	₱7,225,395

- Restricted cash pertains to funds intended for debt repayment and is not available to management for any disbursement transactions other than its specified purpose (see Note 24).
- Input taxes represent the value-added tax (VAT) due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT on sale of goods and services subjected to VAT.



- d. Advances to contractors and suppliers represent downpayment to contractors and suppliers which will be applied against future billings for development and construction contracts.
- e. Creditable withholding taxes are taxes withheld by the withholding agents from payment to the Group which are creditable against the income tax payable
- f. Repossessed assets pertain to other foreclosed properties which do not qualify as land and building.

The movements in this account are as follows:

	2024	2023
	(In Thousands)	
Cost		
Balances at beginning of year	₱2,316,579	₱1,222,755
Additions	6,329,959	3,993,505
Disposals/Others	(5,862,489)	(2,899,681)
Balances at end of year	2,784,049	2,316,579
Accumulated Depreciation		
Balances at beginning of year	291,373	255,385
Depreciation and amortization	603,738	297,679
Disposals	(541,486)	(261,691)
Balances at end of year	353,625	291,373
Net book value, gross of impairment	2,430,424	2,025,206
Accumulated impairment losses		
Balances at beginning of year	2,896	1,291
Provisions (Note 29)	3,032	4,561
Disposals	(2,808)	(2,956)
Balances at end of year	3,120	2,896
Net book value, net of impairment	₱2,427,304	₱2,022,310

The Group recognized net loss from the disposal of its repossessed assets amounting to ₱416.1 million, ₱425.2 million and ₱266.3 million in 2024, 2023 and 2022, respectively. This is included in “Gain (loss) on sale of assets” under “Other income” in the consolidated statement of income (see Note 27).

- g. Prepaid expenses consist of prepayments for commission, taxes and licenses, rentals and insurance on leases, marketing fees, advertising and promotions.
- h. Deposits include advances to sellers for the purchase of land prior to issuance of contract to sell, security deposits rental deposit. EWBC’s refundable deposits with Master Card and Visa related to its credit card business and FLI’s deposits in escrow for payments of raw land pending finalization of contract to sell.
- i. Card acquisition costs represent capitalized commissions paid to third-party brokers for successfully originated credit card accounts, and are amortized over two (2) years, which is the average relationship life with customers.
- j. Construction materials and supplies pertain to inventories to be used in the construction and maintenance of projects.



- k. Deferred costs pertain to incurred expenditures related to project development and site preparation.
- l. Advances to joint venture partners are advances (e.g., for property taxes and permits) and are normally applied against the share of the joint venture partners from the sale of the joint venture properties.
- m. Short-term deposits pertain to cash placements with maturity of more than three (3) months up to 12 months and earn interest at prevailing market rates.
- n. Investment in bonds consist of a 5-year, non-interest bearing, Class A Senior Notes with a face amount of ₱150.0 million issued by a third party special purpose trust fund duly registered with the BSP invested by the Group on December 19, 2022.
- o. Biological assets incurred expenditures consist of sugarcane crops.

The rollforward of the Group's biological assets as of December 31 follows:

	2024	2023
	(In Thousands)	
Balances at beginning of year	₱38,518	₱20,916
Additions (Note 28)	97,596	168,149
Costs of sales (Note 28)	(89,156)	(150,547)
Balances at end of year	₱46,958	₱38,518

The following table shows the estimated physical quantities of the Group's biological assets and raw sugar production:

	2024	2023
	(In Thousands)	
Sugarcane crops (in metric tons)	23,031	41,747
Raw sugar (in 50-kilogram bag)	39,847	68,578

There are no restrictions on the Group's biological assets as of December 31, 2024 and 2023.

21. Deposit Liabilities

This account consists of:

	2024	2023
	(In Thousands)	
Time	₱74,175,348	₱64,126,014
Savings	164,197,890	152,641,165
Demand	134,169,558	122,014,133
	₱372,542,796	₱338,781,312



Under existing BSP regulations, non-FCDU deposit liabilities of EWBC are subject to unified reserve requirements equivalent to 9.5% (under BSP Circulars 1082 and 1092) as at December 31, 2024 and 2023.

On the other hand, EWRB is required to maintain regular reserves equivalent to 1.0% and 2.0% demand and savings deposits in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, EWBC and EWRB are in compliance with such regulations. As of December 31, 2024 and 2023, due from BSP (see Note 6) amounting to ₱17,058.8 million and ₱9,171.3 million, respectively, were set aside as reserves for deposit liabilities, as reported to the BSP.

As of December 31, 2024 and 2023, 19.7% and 17.9% of the total deposit liabilities are subject to periodic interest repricing.

The remaining deposit liabilities earn annual fixed interest rates ranging from 0.01% to 1.35% in 2024, and from 0.01% to 2.5% in 2023 and 2022.

The Group's interest expense on deposit liabilities amounted to ₱6,614.2 million, ₱4,880.4 million and ₱2,060.3 million in 2024, 2023 and 2022, respectively (see Note 28).

As of December 31, 2024 and 2023, the current portion of deposit liabilities amounted to ₱372,658.4 million and ₱338,185.3 million, respectively.

Long-term negotiable certificates of deposits (LTNCDs) are subject to required reserves of 4.00% if issued under BSP Circular No. 304, and 7.00% if issued under BSP Circular No. 842.

The movements in unamortized net discount as of LTNCDs December 31 follow:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱-	₱3,466
Amortization during the year	-	(3,466)
Balance at end of year	₱-	₱-

22. Bills and Acceptances Payable

This account consists of borrowings from:

	2024	2023
	(In Thousands)	
SSURA	₱38,215,086	₱14,663,678
Interbank call loans	983,365	728,116
Interbank term loans	867,675	-
Outstanding acceptances	51,054	11,912
	₱40,117,180	₱15,403,706



The following are the fair value of government debt securities (see Note 12) pledged and transferred under SSURA transactions of the Group:

	2024		2023	
	Face value	Fair value	Face value	Fair value
Investment securities at amortized cost	₱39,009,231	₱35,900,499	₱17,687,183	₱17,202,332
Financial assets at FVTOCI	4,894,416	4,318,831	–	–

The Group's borrowings are subject to annual interest rates ranging from 3.4% to 6.2% in 2024 and 4.6% to 5.9% in 2023 and 2.7% to 5.0% in 2022.

The Group's interest expense on bills and acceptances payable amounted to ₱1.4 billion in 2024, ₱744.8 million in 2023, and ₱0.4 million in 2022.

The Group entered into repurchase agreements to fund its operation amounting to ₱43.9 billion and ₱18.4 billion in 2024 and 2023, respectively. This excess liquidity is currently deployed in very liquid short-term assets.

The Group's interest expense on SSURA amounted to ₱1.2 billion, ₱674.1 million and ₱74.7 million in 2024, 2023 and 2022, respectively.

23. Accounts Payable, Accrued Expenses and Other Liabilities

The details of this account follow:

	2024			2023		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Accounts payable	₱16,891,992	₱8,083,269	₱24,975,261	₱12,519,413	₱4,263,763	₱16,783,176
Accrued expenses	9,427,566	600,073	10,027,639	9,546,884	–	9,546,884
Deposits from tenants	3,641,919	1,805,809	5,447,728	4,539,055	1,645,028	6,184,083
Retention fee payable	2,805,644	889,104	3,694,748	2,551,557	548,521	3,100,078
Deferred revenues	1,414,266	622,409	2,036,675	597,243	251,015	848,258
Accrued interest	1,983,366	–	1,983,366	1,793,825	–	1,793,825
Deposits for registration	239,726	1,731,707	1,971,433	2,414,005	1,573,499	3,987,504
Asset retirement obligation (ARO)	–	803,681	803,681	–	753,895	753,895
Due to related parties (Note 26)	322,906	–	322,906	856,199	–	856,199
Provision for unused credit lines	252,209	–	252,209	463,860	–	463,860
Derivative liabilities	59,230	–	59,230	103,083	–	103,083
Payment orders payable	1,208	–	1,208	12,232	–	12,232
Other payables	2,211,201	114,095	2,325,296	1,995,751	460,118	2,455,869
	₱39,251,233	₱14,650,147	₱53,901,380	₱37,393,107	₱9,495,839	₱46,888,946

- a. Accounts payable include the outstanding balance of the purchase price for raw land, investment properties and property, plant and equipment acquired by the Group and payable upon completion of certain requirements and on agreed scheduled payment date.
- b. Accrued expenses pertain to various operating expenses incurred by the Group in the course of business such as unbilled construction cost related to ongoing projects, salaries and wages, securities and janitorial, management and professional fees, rent, power, light and water, among others.
- c. Deposits from tenants are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of tenants once due.



- d. Retention fee payable pertains to the amount withheld from the progress billings of the contractors and is released generally one year from the completion of the construction agreement.
- e. Deposits for registration pertain to amounts collected from buyers for payment of registration of real estate properties. This account is charged for costs incurred related to transfer of title to buyers.
- f. ARO is related to the Group's lease agreement with Philippine Veterans Investment Development Corporation (PHIVIDEC) Industrial Estate to restore the property (where its coal thermal power plant is situated) to its original condition and to bear the cost of dismantling and restoration at the end of the lease term. ARO is accreted over the lease term and the related interest expense recognized amounted to ₱55.3 million, ₱48.7 million and ₱50.0 million in 2024, 2023 and 2022, respectively (see Note 29).
- g. Provision for unused credit lines pertains to ECL related to loan commitments without outstanding drawn amounts.
- h. Other payables include withholding taxes, output VAT payables, interest on restructured loans and deferred rental income.

24. Long-term and Short-term Debt

This account consists of the following respective borrowings of the Group and their contractual settlement dates:

	2024	2023
	(In Thousands)	
Parent Company		
Bank loans		
Philippine peso - with fixed interest rates ranging from 4.3% to 6.0% per annum with varying maturity dates up to 2028	₱18,207,363	₱18,886,453
Philippine peso bonds	9,918,241	8,799,207
	28,125,604	27,685,660
Subsidiaries		
Loans from banks and other institutions:		
Philippine peso - with interest rates ranging from 4.3% to 7.6% with varying maturity dates up to 2034	61,575,220	56,159,036
Bonds:		
Philippine peso bonds	35,856,588	37,468,512
Foreign currency bonds	11,773,828	11,058,736
	109,205,636	104,686,284
	₱137,331,240	₱132,371,944



Below are the current and noncurrent portions of the long-term and short-term debt:

	2024	2023
	(In Thousands)	
Current	₱47,952,041	₱29,528,806
Noncurrent	89,379,199	102,843,138
	₱137,331,240	₱132,371,944

As of December 31, 2024 and 2023, short-term debt, presented under current portion amounted to ₱150.0 million and ₱180.5 million, respectively.

The other details on foregoing long-term and short-term debt of the Group follow:

FDC

Fixed rate bonds

On February 7, 2024, FDC issued fixed rate bonds with aggregate principal amount of ₱10.0 billion 2.5-year bonds with interest of 6.32% per annum due in 2026. Interest is payable quarterly in arrears starting on May 7, 2024. As of December 31, 2024, ₱9.9 billion of these bonds payable remain outstanding.

On January 14, 2014, FDC issued fixed rate bonds with aggregate principal amount of ₱8.8 billion 10-year bonds with interest of 6.15% per annum which was due and paid in 2024.

Term loans

The fixed-rate loans availed by FDC bear interest ranging from 4.47% to 5.43% per annum. The term loans availed by FDC that are subject to floating interest set every 90-days payable in arrears. As of December 31, 2024 and 2023, ₱18.2 billion and ₱18.8 billion of these term loans remain outstanding, respectively.

FLI

Fixed-rate bonds

On November 8, 2013, FLI issued fixed rate bonds with aggregate principal amount of ₱7.0 billion comprised of ₱4.3 billion, 7-year bonds with interest of 4.86% per annum due in 2020 and ₱2.7 billion, 10-year bonds with interest of 5.43% per annum due in 2023. Interest for both bonds is payable quarterly in arrears starting on February 8, 2014. On November 8, 2023, FLI paid the remaining balance amounting to ₱2.7 billion.

On December 4, 2014, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱7.0 billion comprising of ₱5.3 billion, 7-year fixed rate bonds due in 2021 and ₱1.7 billion, 10-year fixed rate bonds due in 2024. The 7-year bonds carry a fixed rate of 5.40% per annum, while the 10-year bonds have a fixed interest rate of 5.64% per annum. As of December 31, 2023, ₱1.7 billion of the related bonds payable remain outstanding (nil in 2024).

On August 20, 2015, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.0 billion comprising of ₱7.0 billion, 7-year fixed rate bonds due in 2022 and ₱1.0 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum, while the 10-year bonds have a fixed rate of 5.71% per annum. FLI paid the ₱7.0 billion bonds on August 20, 2022. As of December 31, 2024 and 2023, ₱1.0 billion of the related bonds payable remain outstanding.



On July 7, 2017, FILRT issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱6.00 billion and term of five and a half (5.5) years due in 2023. The bonds carry a fixed rate of 5.05% per annum, payable quarterly in arrears starting on October 7, 2017. On January 9, 2023, FILRT paid the outstanding bonds payable balance amounting to ₱6.0 billion.

On November 18, 2020, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.10 billion comprising of ₱6.3 billion, 3-year fixed rate bonds due in 2023 and ₱1.8 billion, 5.5-year fixed rate bonds due in 2026. The 3-year bonds carry a fixed rate of 3.34% per annum, while the 5.5-year bonds have a fixed rate of 4.18% per annum. On November 18, 2023, FLI paid ₱6.3 billion of the outstanding bonds payable. As of December 31, 2024 and 2023, ₱1.8 billion of the related bonds payable remain outstanding.

On December 21, 2021, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10.0 billion comprising of ₱5.0 billion, 4-year fixed rate bonds due in 2025 and ₱5.0 billion, 6-year fixed rate bonds due in 2027. The 4-year bonds carry a fixed rate of 4.5300% per annum, while the 6-year bonds have a fixed rate of 5.2579% per annum. As of December 31, 2024 and 2023, ₱10.0 billion of these bonds payable remain outstanding.

On June 23, 2022, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.90 billion comprising of ₱8.9 billion, 3-year fixed rate bonds due in 2025 and ₱3.0 billion, 5-year fixed rate bonds due in 2027. The 3-year bonds carry a fixed rate of 5.3455% per annum, while the 5-year bonds have a fixed rate of 6.4146% per annum. As of December 31, 2024 and 2023, ₱11.9 billion of these bonds payable remain outstanding.

On December 1, 2023, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.4 billion which are 3.5-year fixed rate bonds due in 2027. The bonds carry a fixed rate of 6.9829% per annum. As of December 31, 2024 and 2023, ₱11.4 billion of these bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱238.8 million and ₱236.9 million as of December 31, 2024 and 2023, respectively. Accretion included as part of Interest expense amounted to ₱88.1 million in 2024, ₱21.3 million in 2023 and ₱27.4 million in 2022 (see Note 29).

Developmental loans

Developmental loans from local banks will mature on various dates up to 2028. These Peso-denominated loans bear floating interest rates, which are repriced quarterly, semi-annually or annually based on either 3-month, 6-month or 1-year Bloomberg Valuation (BVAL), or Reverse Repurchase Rate (RRP), plus margin, per annum.

Additional loans availed in 2024, 2023 and 2022 amounted to ₱38.1 billion, ₱24.7 billion and ₱12.8 billion, respectively. These include availment of short-term loans payable amounting to ₱11.5 billion, ₱16.5 billion and ₱10.3 billion in 2024, 2023 and 2022, respectively. Principal payments made in 2024, 2023 and 2022 amounted to ₱32.9 billion, ₱20.5 billion and ₱12.2 billion, respectively.

FAI

The fixed-rate loans availed by FAI bear interest ranging from 3.8% to 5.0% per annum. The term loans availed by FAI that are subject to floating interest set every 90-days payable in arrears has a one-time option to change interest to fixed rate anytime during the life of the loan.



EWBC

Bonds payable

On February 10, 2020, EWBC issued 4.5% fixed-rate bonds with issue price at 100.0% face value. The bonds will bear interest at the rate of 4.5% per annum from and including February 21, 2020 to but excluding: (a) February 21, 2023, such date being the maturity date (if the pre-termination option is not exercised); or (b) the pre-termination date (if the pre-termination option is exercised), and the interest will be payable quarterly in arrears at the end of each interest period on February 21, August 21 and November 21 of each year commencing in 2020.

In 2023, the bonds matured at 100.0% of their face value and the related interest expense amounted to ₱23.3 million.

Lower Tier 2 Unsecured Subordinated Notes Due 2027

On February 20, 2017, EWRB issued 5.5% coupon rate Lower Tier 2 unsecured subordinated note (the 2027 Notes) with par value of ₱1,250.0 million, maturing on August 20, 2027 but callable on August 20, 2022.

Unless the 2027 Notes are previously redeemed, the 2027 Notes are repayable to the Noteholders at 100.0% of their face value or at par on the maturity date of August 20, 2027.

From and including the issue date to, but excluding the optional redemption date of August 20, 2022, the 2027 Notes bear interest at the rate of 5.5% per annum and shall be payable quarterly in arrears on February 20, May 20, August 20, and November 20 of each year, which commenced on February 20, 2017. Unless the 2027 Notes are previously redeemed, the interest rate will be reset at the equivalent of the prevailing 5-year BVAL at reset date plus initial spread (i.e., the difference between the initial interest rate and the prevailing 5-year BVAL at the pricing date of the initial tranche), commencing on August 20, 2022.

The 2027 Notes are redeemable at the option of EWRB, in whole but not in part, on the call option date at 100.0% of the face value plus accrued but unpaid interest, subject to the following conditions:

- a. EWRB has obtained prior written approval and complied with the requirements of the BSP prior to redemption of the 2027 Notes;
- b. the 2027 Notes are replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of EWRB, or
- c. EWRB demonstrates that its capital position is above the minimum capital requirements after redemption is exercised;
- d. EWRB is not in breach of (and would not, following such redemption, be in breach) of applicable regulatory capital requirements (including regulatory capital buffers);
- e. EWRB is solvent at the time of redemption of the 2027 Notes and immediately thereafter.

Furthermore, upon the occurrence of a Tax Redemption Event or a Regulatory Redemption Event, the EWRB may, subject to compliance with BSP rules and BSP approval, and upon prior approval of the BSP and with prior written notice to the Noteholders on record, redeem all and not less than all of the outstanding 2027 Notes prior to the stated maturity by paying the Noteholder the Redemption Option Amount which, (a) in the case of a Tax Redemption Event is an amount equal to 100.0% of the face value of the 2027 Notes plus accrued interest at the interest rate relating to the then current interest period up to but excluding the date of such redemption, and (b) in the case of a Regulatory Redemption Event is an amount equal to 100.0% of the face value of the 2027 Notes plus accrued interest at the interest rate relating to the then current Interest Period up to but excluding the date of such redemption (the "Redemption Option Date").



The 2027 Notes have a loss absorption feature which means that the 2027 Notes are subject to a Non-Viability Write-Down in case of a Non-Viability Event. Non-viability is defined as a deviation from a certain level of Common Equity Tier 1 (CET1) Ratio or inability of the EWRB to continue business (closure) or any other event as determined by the BSP, whichever comes earlier. A Non-Viability Event is deemed to have occurred when EWRB is considered non-viable as determined by the BSP.

Upon the occurrence of a Non-Viability Event, EWRB shall write-down the principal amount of the 2025 Notes to the extent required by the BSP, which could go to as low as zero. Additional Tier 1 (AT1) capital instruments shall be utilized first before Tier 2 capital instruments are written down, until the viability of the Issuer is re-established. In the event EWRB does not have AT1 capital instruments, then the write-down shall automatically apply to Tier 2 capital.

Loss absorption feature is subject to the following conditions:

- a. the principal amount of all series of Tier 1 Loss Absorbing Instruments outstanding having been Written-Down to zero or converted into common equity of EW (where possible) irrevocably, in accordance with, and to the extent possible pursuant to, their terms (the “Tier 1 Write-Down”)
- b. the Tier 1 Write-Down having been insufficient to cure the Non-Viability Event
- c. EW giving the relevant Non-Viability Notice to the Public Trustee and the Registrar and Paying Agent

Each Noteholder irrevocably agrees and acknowledges that it may not exercise or claim any right of set-off in respect of any amount owed to it by EWRB arising under or in connection with the 2027 Notes and it shall, to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off.

On June 24, 2022, the EWRB’s Board of Directors unanimously approved under Resolution No. 002-007 EWRB 2022 the exercise of the Call Option for TIER2 on August 22, 2022. Issued principal is ₱1.25 billion at 5.5% coupon rate with 385 noteholders. On August 1, 2022, BSP approved the exercise of the call option. Redemption date was on August 20, 2022 and was settled on August 22, 2022.

The Group’s interest expense on subordinated debt amounted to nil in 2024 and 2023 and ₱44.7 million in 2022 (see Note 28).

FMPC

FMPC entered into loan facility agreements with local financial institutions to partially finance the construction and operation of the 405 MW CFB coal thermal power plant located inside the PHIVIDEC Industrial Estate in Villanueva, Misamis Oriental.

These loan facility agreements provide for a scheduled loan availments within a certain period. These loans are payable in 42 quarterly variable payments. The first installment will be due 42 months from initial availment date or six (6) months from the project completion date, whichever comes first. These loans bear interest of 7-year BVAL (subject to repricing on the 7th year from initial availment date), plus applicable credit spread.

These loans are secured with real properties and real rights, inclusive of FMPC’s buildings and other improvements amounting to ₱21,761.3 million and ₱22,887.0 million as of December 31, 2024 and 2023, respectively, and its rights provided under certain agreements (e.g., EPPAs, insurance and lease contracts), chattels, movables and personal properties.



These loans bear interest from 4.7% to 6.4% per annum, subject to repricing after the 7th from initial loan avancement until maturity date. Interest is payable quarterly in arrears to start at the end of the first quarter from the date of the release of the loan.

FDCI

USD200.0 Million Fixed-rate Bonds

On September 17, 2020, the Group issued through FDCI fixed-rate 5-year bonds with original issuance amount of USD200.0 million. The bonds bear a fixed interest rate of 4.13% per annum, payable semi-annually in arrears.

The Group's long-term and short-term debt are unsecured and no assets are held as collateral for these debts, except for the loans of FMPC. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio of 2.0x to 4.0x; debt service coverage ratio of 1.0x to 1.1x; interest coverage ratio of 2.0x to 3.0x; and minimum current ratio of 2.0x based on the definitions of such ratios in the respective loan agreements.

As of December 31, 2024 and 2023, the Group has not been cited as in default on its outstanding loan obligation.

Total interest incurred on these long-term and short-term debt, including amortization of transaction costs follow:

	2024	2023	2022
	(In Thousands)		
Interest expense			
Real estate operations (Note 29)	₱3,153,379	₱1,628,904	₱1,683,944
Hospitality operations (Note 29)	318,632	386,428	253,842
Power and utility operations (Note 29)	571,546	641,994	904,062
Sugar operations (Note 29)	30,524	14,784	6,946
Other operations (Notes 28 and 29)	1,975,739	1,677,705	1,760,915
	6,049,820	4,349,815	4,609,709
Total capitalized borrowing costs (Notes 14, 16 and 20)	2,269,974	2,355,529	1,911,293
	₱8,319,794	₱6,705,344	₱6,521,002

25. Equity

Capital Stock

On December 22, 1982, the Philippine SEC approved the Parent Company's registration of 5.3 million shares, divided into 5.2 million Class A shares, and 100,000 class B shares with par value of ₱10.0 per share.

On April 13, 1992, the Philippine SEC approved the Parent Company's registration of 144,575,000 common shares with par value of ₱10.0 per share.

On March 10, 1993, the Philippine SEC approved the reduction of par value from ₱10.0 to ₱5.0 per share of the Parent Company's common shares which at that time consisted of ₱1.5 billion authorized common stocks divided into 90,000,000 shares of Class "A" common shares and 60,000,000 shares of Class "B" common shares.



On December 20, 1993, the stockholders approved the reduction of the par value per share from ₱5.0 to ₱1.0 and to unclassify the Parent Company’s capital stock.

On October 15, 2010, the stockholders and BOD of the Parent Company approved the increase in its authorized capital stock from ₱10.0 billion, consisting of 10.0 billion common shares with par value of ₱1.0 per share to ₱17.0 billion, consisting of 15.0 billion common shares with par value of ₱1.0 per share and 2.0 billion non-voting and redeemable preferred shares with par value of ₱1.0 per share. Article Seven of the Amended Articles of Incorporation of the Parent Company was amended to effect the increase in the authorized capital stock of the Parent Company.

On August 19, 2011, Philippine SEC approved the increase in the authorized capital stock of the Parent Company.

The preferred shares have the following features:

- a) not entitled to any voting right or privilege, except in those cases expressly provided by law;
- b) redeemable subject to the terms and conditions to be fixed by the BOD;
- c) entitled to dividends at the rate to be determined by the BOD prior to the issuance of shares, to be payable out of the surplus profits of the Corporation so long as the preferred shares are outstanding; and
- d) may be subject to such other additional terms and conditions to be fixed by the BOD.

As of December 31, 2024 and 2023, authorized capital stock of the Parent Company is 15.0 billion common shares with par value of ₱1.0 per share and 2.0 billion non-voting redeemable preferred shares with par value of ₱1.0 per share.

Below is the summary of the Parent Company’s track record of registration of securities with the SEC as of December 31:

	Number of Shares Registered (In Thousands)	Number of holders of securities as of year end
December 31, 2022	8,648,463	4,005
Movements	–	(7)
December 31, 2023	8,648,463	3,998
Movements	–	(22)
December 31, 2024	8,648,463	3,976

Note: Exclusive of 671,409,400 treasury shares (see Note 31) as of December 31, 2024 and 2023.

Treasury Shares

There was no movement in treasury shares for the years ended December 31, 2024 and 2023.

Dividend Declarations

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

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



On April 29, 2022, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱606.6 or ₱0.07014 per share for every common share of record as of May 20, 2022 and paid on June 14, 2022.

Retained Earnings

Retained earnings include undistributed earnings representing accumulated equity in net earnings of subsidiaries and joint ventures amounting to ₱112,247.8 million and ₱103,985.5 million as of December 31, 2024 and 2023, respectively, which are not available for dividend declaration until received in the form of dividends from such subsidiaries and associates.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury amounting to ₱3,614.5 million as of December 31, 2024 and 2023.

Capital Management

The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. No changes were made in capital management objectives, policies or processes for the years ended December 31, 2024, 2023 and 2022.

Capital management of each segment within the group are further discussed in Note 37.

The Group monitors capital using debt-to-equity ratio, which is the long-term and short-term debt divided by total equity.

	2024	2023
	(In Thousands)	
Long-term and short-term debt (Note 24)	₱137,331,240	₱132,371,944
Total equity	186,380,506	177,691,875
Debt-to-equity ratio	0.74:1:00	0.74:1:00

The Group is subject to externally imposed capital requirements due its loan covenants (see Note 24).

26. Related Party Transactions

The Group has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.

All material Related Party Transactions ("RPT") with a transaction value that reaches 10% of the Group's total consolidated assets shall be subject to the review by the RPT Committee.



Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions (“Policy”). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Unless otherwise stated, outstanding balances at year-end are unsecured, interest-free and require settlement in cash. As of December 31, 2024 and 2023, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant transactions with related parties are as follows:

- a. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱135.4 million, ₱93.5 million and ₱93.9 million in 2024, 2023 and 2022, respectively. Post-employment benefits of key management personnel amounted to ₱30.1 million, ₱20.7 million and ₱20.5 million in 2024, 2023 and 2022, respectively.
- b. Other transactions with related parties include noninterest-bearing cash advances and various charges to and from non-consolidated affiliates for management fees, rent, share of expenses and commission charges. Transactions with related parties are normally settled in cash.

The amounts and the balances arising from the foregoing significant related party transactions are as follows:

	2024		Terms	Conditions
	Amount/ Volume	Outstanding Balance Due from (Due to)		
(In Thousands)				
Due from related parties				
Real estate operations (Note 7)				
Ultimate Parent Company ^(a)	₱-	₱320	Noninterest-bearing, collectible on demand	Unsecured, no impairment
Affiliates: (Notes 7, 8 and 10)			Noninterest-bearing and due on demand, except for ₱53.0 million loan subject to interest rate of 3.5% to 3.8% due within 1 year ^(b)	Unsecured, no impairment
Share in expenses	29,686	99,469		
		₱99,789		
Due to related parties (Note 23)				
Affiliates				
Share in expenses ^(a)	₱-	(₱212,566)	Noninterest-bearing,	
Management fee ^(c)	46,961	(110,340)	payable on demand	Unsecured
		(₱322,906)		

(a) Share in Group expenses

(b) Availment of loan payable, with interest at prevailing market rate

(c) Management fee charged to hospitality operations by a joint venture.



2023				
	Amount/ Volume	Outstanding Balance Due from (Due to)	Terms	Conditions
(In Thousands)				
Due from related parties				
Real estate operations (Note 7)				
Ultimate Parent Company ^(a)	(P360)	P320	Noninterest-bearing, collectible on demand	Unsecured, no impairment
Affiliates: (Notes 7, 8 and 10)			Noninterest-bearing and due on demand, except for P53.0 million loan subject to interest rate of 3.5% to 3.8% due within 1 year ^(b)	Unsecured, no impairment
Share in expenses	69,597	129,155		
		P129,475		
Due to related parties (Note 23)				
Affiliates				
Share in expenses ^(a)	P-	(P792,820)	Noninterest-bearing,	
Management fee ^(c)	217,461	(63,379)	payable on demand	Unsecured
		(P856,199)		

(a) Share in Group expenses

(b) Availment of loan payable, with interest at prevailing market rate

(c) Management fee charged to hospitality operations by a joint venture.

Transactions with Retirement Plans

Certain post-employment benefit plans are considered as related parties. The Group's retirement plan is in the form of a trust administered by the EWBC's Trust Division under the supervision of the Retirement Committee.

The values of the assets of the fund held by EWBC are as follows (see Note 30):

	2024	2023
(In Thousands)		
Cash and cash equivalents	P516,487	P450,032
Equity instruments	877,538	731,196
Debt instruments	86,367	101,471
Others	1,925	1,462
	P1,482,317	P1,284,161

The following are the amounts recognized by the retirement plan arising from its transactions with EWBC for the years ended December 31, 2024, 2023 and 2022.

	2024	2023	2022
Trust fees	P4,673	P3,524	P3,490
Interest income on savings deposit	17,371	2,746	1,213
Interest income on investments in LTNCD	4,611	6,162	6,825
Gain (loss) on investments in equity shares	69,675	87,315	(104,360)



27. Other Income

Other income from real estate operations consists of:

	2024	2023	2022
	(In Thousands)		
Interest income on cash and cash equivalents and contract receivables (Notes 6 and 7)	₱388,317	₱344,229	₱254,304
Processing fees	229,167	277,026	322,850
Management fees	678,323	304,350	88,380
Forfeited reservations and payments	166,947	92,854	114,937
Service income	155,304	305,767	-
Income from amusement centers, parking and other lease related activities	96,795	25,386	453
Water supply income	84,346	95,344	82,685
Sewer treatment services	64,120	43,472	41,327
Parking fees	15,248	30,533	59,850
Slot rental fees	14,282	5,629	2,416
Others	133,513	122,986	213,507
	₱2,026,362	₱1,647,576	₱1,180,709

Others include membership and maintenance dues, parking fees, late payment charges, gain on sale or exchange of properties and slot rental fees.

Other income from hospitality operations consists of:

	2024	2023	2022
	(In Thousands)		
Interest income (Note 6)	₱5,035	₱1,606	₱2,198
Others	547,863	562,307	1,997
	₱552,898	₱563,913	₱4,195

Others include insurance fees, bagging fees, and other miscellaneous income.

Other income - net from banking and financial services consist of:

	2024	2023	2022
	(In Thousands)		
Service charges, penalties, fees and commissions	₱5,850,127	₱4,769,438	₱3,780,805
Gain on asset foreclosure and <i>dacion</i> transactions	1,191,284	614,532	(9,446)
Recovery on written-off assets	1,031,633	504,817	469,030
Foreign currency exchange gains - net	746,220	655,790	571,169
Trading and securities gain (loss) - net (Note 12)	401,138	337,827	(395,638)
Trust income (Note 19)	137,166	126,733	121,233
Gain (loss) on sale of assets (Notes 16, 17 and 20)	(688,094)	183,080	105,349
Others	262,625	237,019	269,858
	₱8,932,099	₱7,429,236	₱4,912,360



Other income from power and utility operations consist of:

	2024	2023	2022
		(In Thousands)	
Interest income (Notes 6 and 10)	₱108,906	₱213,695	₱121,534
Others	21,329	144,541	17,525
	₱130,235	₱358,236	₱139,059

Other income from sugar operations consist of:

	2024	2023	2022
		(In Thousands)	
Fertilizers assistance income	₱2,691	₱8,693	₱13,687
Storage income	2,298	362	570
Interest income (Note 6)	1,090	3,813	275
Handling income - net	586	682	1,073
Diesel mark-up	-	4,839	7,619
Others	36,420	31,667	55,585
	₱43,085	₱50,056	₱78,809

Fertilizer assistance income and diesel mark-up pertain to income from sale of fertilizer and diesel to planters of sugarcane.

Storage and handling income pertains to income from sugar storage and handling services provided to planters of sugarcane.

Conversion rights income pertain to reclassification of rights over issued quedans as directed by the Sugar Regulatory Administration.

Others include insurance fees, bagging fees and other miscellaneous income from bidding of quedans.

28. Costs

Costs of sale of lots, condominium and residential units consists of:

	2024	2023	2022
		(In Thousands)	
Lots, condominium and residential units (Note 14)	₱7,754,859	₱8,534,325	₱7,521,107

Costs of rental and related services consists of:

	2024	2023	2022
		(In Thousands)	
Mall operations	₱2,171,762	₱1,524,681	₱1,354,837
Depreciation (Note 16)	1,283,852	1,201,601	832,097
Amortization of BTO Rights (Note 20)	140,688	70,605	173,129
Others	17,652	27,721	6,477
	₱3,613,954	₱2,824,608	₱2,366,540

Others pertain to outside services, repairs and maintenance and association dues.



Costs of hospitality operations consists of:

	2024	2023	2022
		(In Thousands)	
Salaries, wages and employee benefits	₱690,476	₱343,910	₱275,167
Food and beverage (Note 15)	467,050	414,304	285,228
Depreciation and amortization (Note 17)	331,132	258,770	270,320
Utilities	300,831	284,211	197,031
Cleaning supplies	85,472	54,865	27,405
Guest laundry and linen	37,133	41,506	15,577
Contract services	29,900	18,615	4,922
Guest amenities	23,265	42,804	39,334
Complimentary food and services	19,071	25,058	12,122
Kitchen fuels	17,759	4,718	1,446
Guest transportation	15,252	1,382	62
Equipment rental	4,573	7,022	3,265
Others	504,428	330,678	202,337
	₱2,526,342	₱1,827,843	₱1,334,216

Others include dive shop operating expenses, spa expenses, office supplies, banquet expenses, landscaping, cable services and other various expenses for the operations of the other operating departments of the hotel.

Costs of banking and financial services consists of:

	2024	2023	2022
		(In Thousands)	
Interest on:			
Deposit liabilities (Note 21)	₱6,614,213	₱4,880,390	₱2,060,300
Subordinated debt, bills payable and other borrowings (Notes 22 and 24)	1,804,535	1,105,974	533,540
	₱8,418,748	₱5,986,364	₱2,593,840

Costs of power and utility operations consists of:

	2024	2023	2022
		(In Thousands)	
Coal and fuel cost (Note 15)	₱7,439,747	₱8,226,820	₱6,923,491
Purchase of electricity	7,083,590	2,090,570	172,007
Depreciation and amortization (Note 17)	1,172,531	1,198,509	1,139,662
Distribution and wheeling fees	321,832	30,042	20,101
Maintenance cost	267,169	231,672	165,681
Material cost	213,180	135,693	124,982
Salaries, wages and employee benefits	147,144	121,040	113,396
Outside services	35,922	18,219	33,038
Others	10,042	8,034	8,433
	₱16,691,157	₱12,060,599	₱8,700,791



Costs of sugar operations consists of:

	2024	2023	2022
		(In Thousands)	
Costs of sugarcane purchases	₱2,773,401	₱2,110,531	₱2,302,878
Fair value of raw sugar	1,552,688	1,287,310	663,573
Repairs and maintenance	204,224	201,810	171,475
Depreciation and amortization (Note 17)	116,753	124,010	141,860
Salaries, wages and employee benefits	110,289	130,870	126,602
Materials and supplies (Note 15)	86,650	97,826	137,582
Outside services	46,818	82,564	123,958
Cane hauling	36,896	19,550	20,124
Communications, light and water	20,754	28,853	31,752
Rent (Note 32)	1,225	11,391	10,152
Others	90,448	30,086	37,717
Cost of goods manufactured	5,040,146	4,124,801	3,767,673
Increase in:			
Sugar and molasses inventories (Note 15)	(289,912)	(45,801)	(204,525)
Biological assets (Note 20)	(8,440)	(17,602)	(8,372)
	₱4,741,794	₱4,061,398	₱3,554,776

Costs of other operations pertains to FDCI's interest expense on fixed-rate dollar bonds amounting to ₱515.7 million, ₱470.3 million and ₱459.4 million in 2024, 2023 and 2022, respectively (see Note 24).

29. Expenses

Expenses of real estate operations consists of:

	2024	2023	2022
		(In Thousands)	
Interest expense from:			
Long-term and short-term debt (Note 24)	₱3,153,379	₱1,628,904	₱1,683,944
Lease liabilities (Note 32)	501,508	489,388	146,351
	3,654,887	2,118,292	1,830,295
General and administrative			
Salaries, wages and employee benefits	1,609,953	1,318,095	1,009,939
Taxes and licenses	577,686	536,788	433,606
Outside services	493,856	267,236	378,735
Depreciation and amortization (Notes 16 and 17)	480,876	459,603	572,056
Repairs and maintenance	285,129	377,482	378,510
Travel and transportation	162,010	151,783	136,450
Entertainment, amusement and recreation	103,732	101,557	89,416
Utilities and communication	95,260	106,084	84,640
Insurance	45,793	38,675	45,933

(Forward)



	2024	2023	2022
	(In Thousands)		
Rent (Note 32)	₱24,353	₱26,078	₱22,707
Provision for probable losses (Note 7)	19,819	46,836	2,747
Others	4,798	180,412	222,536
	3,903,265	3,610,629	3,377,275
Marketing expenses			
Commission	910,333	800,207	722,734
Selling, advertising and promotions	418,762	259,408	154,318
Service fees	239,895	142,740	175,299
Sales office direct costs	61,455	50,669	117,599
Others	121,283	235,603	42,255
	1,751,728	1,488,627	1,212,205
	₱9,309,880	₱7,217,548	₱6,419,775

Other general and administrative expenses include postage, freight, office supplies, association dues and other charges.

Expenses of hospitality operations consist of:

	2024	2023	2022
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱318,632	₱386,428	₱253,842
Lease liabilities (Note 32)	112,222	24,310	114,642
	430,854	410,738	368,484
General and administrative			
Salaries, wages and employee benefits	283,171	208,188	167,672
Management fees (Note 26)	177,596	153,145	92,348
Outside services	86,138	56,326	46,089
Repairs and maintenance	67,900	63,034	48,263
Depreciation and amortization (Note 17)	53,429	81,974	84,624
Corporate office reimbursable	46,162	11,227	9,133
Association dues	45,485	38,193	11,897
Credit card commission	34,436	34,985	26,230
Insurance	33,229	30,250	13,376
Taxes and licenses	28,808	22,326	27,646
Travel and transportation	19,467	20,943	17,484
Utilities	17,297	28,243	71,545
Rent (Note 32)	4,700	19,922	–
Representation and entertainment	8,734	8,844	5,833
Others	70,905	170,395	173,786
	977,457	947,995	795,926
Marketing expenses	41,269	52,814	35,507
Share in net gain of joint venture (Note 18)	–	(18,985)	(7,521)
	₱1,449,580	₱1,392,562	₱1,192,396



Expenses of banking and financial services consist of:

	2024	2023	2022
	(In Thousands)		
Interest expense from lease liabilities (Note 32)	₱380,600	₱137,695	₱-
General and administrative			
Salaries, wages and employee benefits	8,823,741	7,458,354	5,966,958
Taxes and licenses	3,040,218	2,492,079	1,888,699
Depreciation and amortization (Notes 16, 17 and 20)	2,085,276	1,611,811	1,914,969
Service charges, fees and commission	1,330,961	941,749	622,911
Technological fees	1,155,325	1,109,621	834,096
Outside services	1,149,951	1,146,492	876,674
Brokerage fees	1,094,594	932,117	1,070,788
Advertising	970,460	919,956	430,733
Insurance	863,353	777,671	756,892
Postage, telephone and telegraph	568,288	474,085	439,073
Rent (Note 32)	418,459	368,424	258,413
Repairs and maintenance	360,611	328,441	282,614
Amortization of capitalized software, customer relationships and core deposits (Note 20)	258,290	199,647	181,433
Utilities	246,191	249,126	229,368
Travel and transportation	218,170	199,544	181,645
Stationery and supplies	161,581	218,344	150,749
Entertainment, amusement and recreation	51,108	46,377	43,863
Others	211,331	455,784	788,728
	23,007,908	19,929,622	16,918,606
Provision for probable losses (Notes 9 and 16)	9,579,702	7,688,252	4,950,614
Share in net loss (gain) of a joint venture (Note 18)	(112,745)	152,335	228,619
	₱32,855,465	₱27,907,904	₱22,097,839

Others include payments for subscriptions, membership fees, trainings, donations and contributions, delivery and freight expenses, fines, penalties, other charges and clearing fees.

Expenses of power and utility operations consist of:

	2024	2023	2024
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱571,546	₱641,994	₱904,062
Lease liabilities (Note 32)	64,493	106,272	47,403
Asset retirement obligation (Note 23)	55,354	48,736	49,959
	691,393	797,002	1,001,424
<i>(Forward)</i>			



	2024	2023	2024
	(In Thousands)		
General and administrative			
Insurance	₱372,718	₱327,819	₱262,338
Taxes and licenses	338,279	331,885	352,854
Provision (reversal of provision) for probable losses (Notes 10, 23 and 33)	321,181	(9,219)	116,523
Salaries, wages and employee benefits	250,296	266,700	190,092
Outside services	94,907	89,222	88,582
Depreciation and amortization (Notes 17 and 20)	70,874	83,219	98,916
Professional fee	53,899	20,304	27,304
Repairs and maintenance	35,741	25,000	19,039
Travel and transportation	34,964	31,734	20,151
Representation and entertainment	27,972	22,170	18,382
Utilities	12,130	21,234	10,759
Rent (Note 32)	13,577	12,100	5,318
Others	37,787	131,901	52,814
	1,664,325	1,354,069	1,263,072
	₱2,355,718	₱2,151,071	₱2,264,496

Others include office supplies, freight and handling costs, contribution and donation, dues and subscription and financial assistance to host communities.

Expenses of sugar operations consist of:

cc	2024	2023	2022
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱30,524	₱14,784	₱6,946
Lease liabilities (Note 32)	-	1,152	1,216
	30,524	15,936	8,162
General and administrative			
Salaries, wages and employee benefits	52,187	41,539	35,289
Taxes and licenses	21,480	27,883	16,720
Outside services	25,479	21,021	26,827
Provision for probable losses (Note 11)	18,371	18,371	18,371
Supplies	6,846	8,331	11,596
Travel and transportation	9,451	8,471	7,770
Entertainment, amusement and recreation	4,933	6,267	5,266
Communication	6,385	5,016	6,195
Depreciation and amortization (Note 17)	5,516	4,761	2,460
Repairs and maintenance	5,732	4,644	338
Write-off of receivable	2,715	-	5,573
Others	12,364	21,756	15,735
	171,459	168,060	152,140
	₱201,983	₱183,996	₱160,302



Expenses of other operations consists of:

	2024	2023	2022
	(In Thousands)		
Interest expense from:			
Long-term and short-term debt (Note 24)	₱1,459,995	₱1,207,433	₱1,301,522
Lease liabilities (Note 32)	3,418	7,827	–
	1,463,413	1,215,260	1,301,522
General and administrative			
Salaries, wages, and employee benefits	412,225	517,275	204,049
Outside services	129,304	84,561	108,414
Entertainment, amusement and recreation	30,595	29,445	25,937
Depreciation and amortization (Note 16)	63,205	18,769	8,077
Repairs and maintenance	53,277	29,040	19,952
Travel and transportation	49,414	41,232	27,797
Rent (Note 32)	43,033	8,553	–
Taxes and licenses	24,843	71,781	17,630
Impairment losses (Note 18)	–	106,884	–
Provision for probable losses (Note 33)	–	–	163,191
Others	112,983	529,387	(220,509)
	918,879	1,436,927	354,538
Share in net loss (gain) of an associate (Note 18)	(3,324)	21,827	99,636
	₱2,378,968	₱2,674,014	₱1,755,697

Others include foreign exchange gain.

30. Retirement Plan

The Group has a funded, noncontributory defined benefit retirement plan (the “Plan”) covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The retirement plan provides retirement benefits equivalent to 70% to 125% of the final monthly salary for every year of service. The funds are administered by the Group’s Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan. RA 7641 requires a provision for retirement pay to qualified private sector employees provided that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.



Changes to the net retirement liabilities recognized in the consolidated statements of financial position are as follows:

	2024		
	Present Value Of Defined Benefit Obligations	Fair Value Of Plan Assets (Note 26)	Net Defined Benefit Liabilities
		(In Thousands)	
Balances as at January 1, 2024	₱3,087,629	₱1,512,601	₱1,575,028
Net benefit costs in profit or loss			
Current service cost	335,362	-	335,362
Net interest	158,932	81,215	77,717
	494,294	81,215	413,079
Remeasurements in other comprehensive income			
Actuarial changes arising from experience adjustments	88,996	-	88,996
Actuarial changes arising from changes in financial assumptions	(12,920)	-	(12,920)
Return on plan assets (excluding amount included in net interest)	-	36,171	(36,171)
	76,076	36,171	39,905
Benefits paid	(310,766)	(310,766)	-
Contributions	-	367,568	(367,568)
Balances as of December 31, 2024	₱3,347,233	₱1,686,789	₱1,660,444
		2023	
	Present Value Of Defined Benefit Obligations	Fair Value Of Plan Assets (Note 26)	Net Defined Benefit Liabilities
		(In Thousands)	
Balances as at January 1, 2023	₱2,866,785	₱1,195,624	₱1,671,161
Net benefit costs in profit or loss			
Current service cost	225,683	-	225,683
Net interest	164,199	79,554	84,645
	389,882	79,554	310,328
Remeasurements in other comprehensive income			
Return on plan assets (excluding amount included in net interest)	27,552	18,873	8,679
Actuarial changes arising from experience adjustments	(53,998)	-	(53,998)
Actuarial changes arising from changes in financial assumptions	128,976	-	128,976
	102,530	18,873	83,657
Benefits paid	(271,568)	(291,116)	19,548
Contributions	-	509,666	(509,666)
Balances as of December 31, 2023	₱3,087,629	₱1,512,601	₱1,575,028



The fair value of plan assets by each class are as follows:

	2024	2023
	(In Thousands)	
Cash and cash equivalents	₱705,785	₱526,163
Debt instruments:		
Private securities	873,973	858,792
Government securities	18,738	5,914
Equity instruments:		
Financial services	55,920	84,587
Real estate	30,447	35,416
Others	1,926	1,729
Fair value of plan assets	₱1,686,789	₱1,512,601

The Group's plan assets are carried at fair value. The fair value of investments in equity and debt securities are based on quoted price in the active market. The fair value of other assets and liabilities, which include deposits in banks, accrued interest and other receivables, and trust fee payables, approximate their carrying amount due to the short-term nature of these accounts.

The plan assets are diversified investments and are not exposed to concentration risk.

Each year, an Asset-Liability Matching Study (ALMS) is performed with the result being analyzed in terms of risk-and-return profiles. As of December 31, 2024 and 2023, EWBC's investment strategy consists of 54.0% of equity instruments, 8.0% of debt instruments and 37.0% cash and 59.0% of equity instruments, 11.0% of debt instruments, and 29.0% cash, respectively.

The Group expects to contribute ₱376.0 million to the plan in 2025.

The cost of defined benefit retirement plans as well as the present value of the benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension benefits includes discount rates of 4.9% to 5.1% and salary increase of 4.0% to 5.0% in 2024, 2023 and 2022.

If the discount rate would be 100 basis points lower, the defined benefit obligation would increase by ₱281.0 million and ₱114.0 million in 2024 and 2023, respectively. If the discount rate would be 100 basis points higher, the defined benefit obligation would decrease by ₱322.4 million and ₱98.5 million in 2024 and 2023, respectively.

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

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

	2024	2023
	(In Thousands)	
Less than 1 year	₱387,941	₱301,032
More than 1 year up to 5 years	1,250,827	1,062,713
More than 5 years and beyond	9,188,219	8,510,265



31. Earnings Per Share

The following reflects the income and share data used in the basic EPS computations:

	2024	2023	2022
	(In Thousands, Except Per Share Figures)		
a. Net income - attributable to equity holders of the parent	₱12,131,320	₱8,947,468	₱5,650,674
b. Weighted average number of outstanding common shares	8,648,463	8,648,463	8,648,463
Basic/Diluted EPS (a/b)	₱1.40	₱1.03	₱0.65

There were no potential dilutive shares in 2024, 2023 and 2022.

Treasury shares of 671,409,400 shares are deducted from the total outstanding shares in computing the weighted average number of outstanding common shares (see Note 25).

32. Lease Commitments

Operating leases - Group as Lessor

The Group has future minimum rental receivables under renewable operating leases as of December 31 as follows:

	2024	2023
	(In Thousands)	
Within 1 year	₱4,441,658	₱4,385,147
After 1 year but not more than 5 years	11,374,381	10,103,486
More than 5 years	20,857,118	18,011,009
	₱36,673,157	₱32,499,642

The Group entered into lease agreements with third parties covering real estate properties. These leases generally provide for either (a) fixed monthly rent (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Most lease terms for commercial malls are renewable within one year, except for anchor tenants with terms ranging from five (5) to 15 years.

Rental income recognized based on a percentage of the gross revenue of mall tenants amounted to ₱502.3 million, ₱457.3 million and ₱391.6 million in 2024, 2023 and 2022, respectively. In 2023 and 2022, the Group granted rental concessions to its tenants amounting to ₱70.8 million and ₱314.8 million in 2023 and 2022, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as negative Group variable lease payments and reported as reduction of lease income in 2023 and 2022.

Operating leases - Group as Lessee

The Group has lease contracts for various items of properties, machinery, vehicles and other equipment. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered into various lease arrangements with lease terms ranging from four (4) to 52 years.



The rollforward analysis of ROU assets as of December 31 follows:

2024				
	Building	Machinery	Investment Properties	Total
(In Thousands)				
Cost				
Balances at beginning of year	₱9,099,862	₱294,445	₱3,951,410	₱13,345,717
Additions	1,067,260	-	-	1,067,260
Disposals/terminations/others	-	(5,911)	(39,986)	(45,897)
Balances at end of year	10,167,122	288,534	3,911,424	14,367,080
Accumulated Amortization				
Balances at beginning of year	5,096,176	147,473	688,748	5,932,397
Amortization (Notes 17, 18, 28 and 29)	1,044,823	14,248	174,161	1,233,232
Disposals/terminations/others	-	-	(29,993)	(29,993)
Balances at end of year	6,140,999	161,721	832,916	7,135,636
Net Book Values	₱4,026,123	₱126,813	₱3,078,508	₱7,231,444

2023				
	Building	Machinery	Investment Properties	Total
(In Thousands)				
Cost				
Balances at beginning of year	₱8,206,696	₱167,849	₱3,832,614	₱12,207,159
Additions	893,166	126,596	200,169	1,219,931
Disposals/terminations/others	-	-	(81,373)	(81,373)
Balances at end of year	9,099,862	294,445	3,951,410	13,345,717
Accumulated Amortization				
Balances at beginning of year	3,673,166	134,916	535,000	4,343,082
Amortization (Notes 17, 18, 28 and 29)	1,423,010	12,557	153,748	1,589,315
Balances at end of year	5,096,176	147,473	688,748	5,932,397
Net Book Values	₱4,003,686	₱146,972	₱3,262,662	7,413,320

The rollforward analysis of lease liabilities as of December 31 follows:

	2024	2023
(In Thousands)		
Balance at beginning of year	₱8,454,337	₱7,238,419
Additions	1,265,231	2,448,432
Accretion of interest expense (Note 29)	1,062,241	766,645
Payments	(1,739,243)	(1,999,158)
Balance at end of year	₱9,042,566	₱8,454,337
Lease liabilities - current portion	₱818,093	₱1,325,059
Lease liabilities - net of current portion	8,224,473	7,129,278



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

	2024	2023
	(In Thousands)	
Amortization expense of ROU assets (Notes 28 and 29)	₱1,233,232	₱1,589,315
Interest expense on lease liabilities (Note 29)	1,062,241	766,645
Variable lease payments and expenses relating to leases of low-value assets and short-term lease	504,122	618,370

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned.

The significant leases entered into by the Group are as follows:

EWBC leases several premises occupied by its head office and branches. Some leases are subject to annual escalation of 5.0% to 10.0% and for periods ranging from five (5) to 15 years, renewable upon mutual agreement of both parties.

FMPC entered into a noncancellable lease agreement with PHIVIDEC Industrial Authority (PIA) for the lease of undivided parcel of lands containing an aggregate area of 844,921 square meters to be used for its business of power generation, supply and distribution with a term of 25 years, exclusive of 3-year construction period. Construction period and lease period commenced on August 18, 2013 and August 18, 2016, respectively. The lease agreement can be renewed for another 25 years upon expiration at the option of FDC Misamis subject to mutually agreed terms and conditions.

In 2016, FMI entered into a 50-year lease agreement with CDC for the lease of 201.6 hectares of land and hotel properties (the Mimosa Leisure Estate), renewable for another 25 years. Land component of the lease is accounted for as an operating lease.

Rental agreements

The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space; (b) provisioning of water and electricity; (c) provision of air conditioning and CUSA services; and (d) administration fee.

Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. The tenant is required to settle within seven (7) to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3.0% to 36.0% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.



33. Contingencies and Commitments

Contingencies and provisions

The Group is involved in various legal actions, claims and contingencies incident to its ordinary course of the business. Management believes that any amount the Group may have to pay in connection with any of these matters would not have a material adverse effect on the Group's financial position or operating results. The information normally required by PAS 37, *Provision, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the outcome of the proceedings.

PSHC

In connection with an ongoing case, PSHC has posted a standby letter of credit issued by a reputable bank to be the security for any judgment in the case. In August 2017, the Regional Trial Court (RTC) issued a decision in favor of the plaintiff.

On February 15, 2019, the Court of Appeals issued a decision which partially granted the appeal and modified the actual damages in favor of the plaintiff. The plaintiff has filed a Motion for Partial Reconsideration of the said decision of Court of Appeals. PSHC filed its Comment on such Motion on July 8, 2019. On November 12, 2019, the Court of Appeals issued a resolution denying the Motion for Partial Reconsideration filed by Coca-Cola. Coca-Cola thus filed a petition for review, dated January 3, 2020, with the Supreme Court, to assail the Court of Appeal's decision.

On August 23, 2023, the Supreme Court denied Coca-Cola's petition for review of the Court of Appeal's decision. Coca-Cola filed a Motion for Partial Reconsideration dated April 10, 2024, and PSHC filed its comments. Finally, Coca-Cola filed, on September 9, 2024, a Respectful Motion for Early Resolution as of September 6, 2024, praying for the immediate resolution of the case. As of March 19, 2025, the case is pending resolution.

FDCUI

In relation to the termination of Independent Power Purchase Administrator (IPPA) contracts, certain liabilities arose, the settlement of which is currently under dispute. The parties submitted their Closing Memoranda and Reply Memoranda on November 13, 2024 and December 13, 2024, respectively. Under Procedural Order No. 1, the Tribunal has 90 days from the submission of the Reply Memoranda, subject for a 30 day extension. As of March 19, 2025, the potential outcome of the said claims cannot be reliably determined.

EWBC

EWBC has several loan related suits and claims that remain unsettled. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of the management, the suits and claims, if decided adversely, will not involve sums having a material effect on the consolidated financial statements.



The following is a summary of contingencies and commitments of EWBC at their Peso-equivalent contractual amounts arising from off-balance sheet items of EWBC:

	2024	2023
	(In Thousands)	
Unused credit line - credit cards	₱233,044,768	₱190,658,891
Trust department accounts (Note 30)	69,077,325	61,529,662
Broker customer securities	44,896,595	40,840,802
Forward exchange sold	12,468,110	7,640,848
Forward exchange bought	10,770,896	4,721,303
Spot exchange bought	5,009,551	3,978,326
Unused commercial letters of credit	5,528,713	3,509,978
Spot exchange sold	4,446,192	11,991,023
Inward bills for collection	689,585	512,802
Outstanding guarantees	181,527	496,103
Treasurer/cashier/manager's checks	77,605	461,311
Late deposits/payments received	3,173	8,103
Outward bills for collection	5,604	4,398
Items held for safekeeping	773	934
Others	187	167

Commitments

FLI

BTO Agreement with Cebu Province

In connection with the BTO Agreement with the Cebu Province, the Group is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City and transfer the ownership of the BPO Complex to the Cebu Province upon completion in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (see Note 20).

Capital Commitments and Obligations

The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱6.3 billion and ₱6.4 billion as of December 31, 2024 and 2023, respectively.

Assignment of Development Rights under a BTO Agreement

On June 26, 2015, FLI and a third party entered into an agreement whereby the latter agreed to assign its project development rights and benefits under its BTO Agreement with Cebu Province to FLI. In consideration of this assignment, FLI paid upfront fee amounting to ₱50.0 million and ₱150.0 million in 2016 and 2015, respectively. On January 30, 2024, FLI and the Province of Cebu entered into an Amendment Agreement to the BTO Agreement, recognizing the full assignment not only of the rights and benefits but also the obligations under the BTO Agreement in favor of FLI as the successor proponent to the contemplated project development. As of December 31, 2024, project construction has not started due to pending approval from Cebu Province on the cleared site. Thus, the upfront fee is recorded as part of "Other assets" in the consolidated statement of financial position (see Note 20).

Development Agreement with BCDA

In 2015, FLI won the contract to develop a 288-hectare area in Clark Green City in Tarlac and paid 10% of the bid premium as bid security amounted to ₱16.0 million. On January 8, 2016, the Joint Venture Agreement with BCDA was signed and pursuant to the terms of the development of the project, FLI paid the ₱160.0 million bid premium representing the right to own 55% of the equity on



the joint venture company to be formed with BCDA.

On February 11, 2016, FLI incorporated FCGC Corporation, the entity that will handle the development of the New Clark City (NCC) Project, formerly Clark Green City Project. The bid premium is presented as part of investment properties in the consolidated financial statements (see Note 16). On March 16, 2016, FCGC and BCDA incorporated FBCI.

FCGC subscribed to FBCI 282,880,000 shares at par value amounting to ₱282.9 million. On the other hand, BCDA subscribed to 231,000,000 shares amounting ₱231.0 million and paid its subscription thru the assignment of a 50-year Development and Usufructuary Rights (DUR) over the parcel of land where the NCC project will be developed. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA.

PSHC

Milling Contracts

DSCC and CSCC (Millers) have milling contracts with various planters which provide for a certain sharing ratio between the Millers and the planters for the resulting sugar and molasses produced in their respective sugar mills. The milling contracts are effective for a period of 15 agricultural crop years, subject to an extension of another 15 crop years at the option of the Millers.

Development Agreements

HYSFC entered into several Development Agreements (the Agreements) with various landowners for the development and cultivation of certain parcels of agricultural land for sugarcane production. The Agreements are effective for periods of 15 agricultural crop years and renewable for such additional periods under conditions mutually agreed upon by the parties. Under the Agreements, HYSFC shall have the rights and authority to enter into possession of the properties, and to do all acts, deeds, matter and things necessary for its proper and profitable development, cultivation and improvement as viable sugarcane plantation.

Other provisions of the Agreements follow:

- HYSFC shall furnish necessary management expertise, equipment and technology for the agricultural development and cultivation;
- Parties shall be entitled to receive from the income derived from the property during the effectivity of the Agreements;
- HYSFC shall advance to the other party in the Agreements a portion of the latter's share in the profits from the Agreements;
- After satisfying the advance in full, the succeeding annual share in the profits of the other party in the Agreements shall be paid on the first day of the crop year following complete deduction of advances made; and
- The remaining amount in the income from the property shall pertain to the HYSFC as its share in the income on the agricultural development undertaken.

Impacted by the development agreements are the advances to planters and biological assets recorded in the consolidated statements of financial position. The carrying values of the Group's advances to sugar planters included in "Loans and receivables" (see Note 11) and biological assets included in "Other assets" (see Note 20) in the consolidated statements of financial position, amounted to ₱136.1 million and ₱47.0 million, respectively, as of December 31, 2024 and ₱122.2 million and ₱38.5 million, respectively, as of December 31, 2023.



34. Income Tax

The components of the Group's net deferred tax assets follow:

	2024	2023
	(In Thousands)	
Deferred tax assets on:		
Allowance for impairment and credit losses	₱2,943,507	₱3,025,561
Provision for accruals	860,631	631,558
Difference in depreciation method	607,183	607,183
Lease liabilities	333,926	302,561
Provision for retirement and unamortized past service cost	274,903	230,727
Depreciation of assets foreclosed or actioned	202,487	182,187
Unrealized foreign exchange loss	51,195	-
Advance rentals	49,359	45,753
Effects of modification loss	41,091	84,899
NOLCO	1,641	1,089
Others	817,333	942,606
	6,183,256	6,054,124
Deferred tax liabilities on:		
Branch license acquired from business combination	(156,350)	(156,350)
Unrealized foreign exchange gain	(117,496)	(12,226)
Remeasurement of EW Ageas Life shares (JV)	(83,958)	(83,958)
Revaluation increment on land	(16,547)	(16,547)
ROU assets	(5,425)	(107,310)
Unrealized trading gains	(5,022)	(14,178)
Others	(6,816)	(34,609)
	(391,614)	(425,178)
	₱5,791,642	₱5,628,946

The components of the Group's net deferred tax liabilities follow:

	2024	2023
	(In Thousands)	
Deferred tax liabilities on:		
Capitalized borrowing costs	₱3,054,778	₱4,375,705
Deemed cost revaluation increment in investment properties and property, plant and equipment	3,583,767	3,974,933
Excess of real estate revenue based on financial accounting policy over revenue based on tax rules	2,739,695	1,893,872
ROU assets	998,756	1,056,544
Others	703,720	807,777
	11,080,716	12,108,831

(Forward)



	2024	2023
	(In Thousands)	
Deferred tax assets on:		
Lease liabilities	(₱1,094,074)	(₱1,171,652)
NOLCO	(523,985)	(323,611)
MCIT	(152,573)	(149,457)
Remeasurement losses on retirement plan	(114,863)	(127,345)
Provision for retirement and unamortized past service cost	(25,287)	(25,287)
Allowance for ECL	(10,243)	(10,243)
Others	(51,441)	(19,673)
	(1,972,466)	(1,827,268)
	₱9,108,250	₱10,281,563

The Group did not recognize deferred tax assets on the following temporary differences, NOLCO, and MCIT since management believes that their carryforward benefits may not be realized.

	2024	2023
	(In Thousands)	
NOLCO	₱6,821,795	₱5,905,369
Provisions/Accruals	1,724,118	1,724,118
Allowance for ECL	160,187	160,187
Excess MCIT over RCIT	18,743	12,524

The carryforward benefits of the NOLCO, which can be claimed as deductions from the regular taxable income, and MCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	NOLCO	MCIT	Expiry Year
	(In Thousands)		
2024	₱2,891,615	₱10,613	2027
2023	2,120,886	152,640	2026
2022	1,335,251	8,063	2025
2021	3,447,133	-	2026
	₱9,794,885	₱171,316	

The following are the movements in NOLCO and MCIT:

	NOLCO		MCIT	
	2024	2023	2024	2023
	(In Thousands)			
Balances at beginning of year	₱6,903,270	₱7,119,250	₱8,800	₱16,836
Additions	2,918,940	2,120,885	7,497	3,183
Expired/applied	(27,325)	(2,336,865)	(5,051)	(11,219)
Balances at end of year	₱9,794,885	₱6,903,270	₱11,246	₱8,800

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before



taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The reconciliation of the provision for income tax computed at the statutory tax rate to the actual provision for income tax follows:

	2024	2023	2022
		(In Thousands)	
Income tax at statutory rate	₱5,138,826	₱3,875,323	₱2,672,886
Adjustments for:			
Nondeductible expenses	1,784,168	2,058,417	1,527,594
Movements in unrecognized deferred tax assets	28,322	207,039	1,104,164
Tax-exempt realized gross profit on sold socialized housing units	-	9,344	(10,761)
Rent income covered by Philippine Economic Zone Authority (PEZA)	(44,674)	(287,678)	(203,170)
Income subjected to final tax	(104,108)	(32,310)	(123,736)
Income tax holiday availed	(260,830)	(344,923)	(620,628)
Nontaxable income and tax-exempt from regular banking unit	(670,823)	(1,005,806)	(570,946)
Tax-exempt income on FCDU	(897,195)	(744,264)	(882,788)
Others	(116,734)	(370,659)	(503,730)
	₱4,856,952	₱3,364,483	₱2,388,885

Under Philippine tax laws, the regular banking unit of EWBC is subject to percentage and other taxes (presented as taxes and licenses in the cost of banking and financial services in the consolidated statements of income) as well as income taxes. Percentage and other taxes consist principally of gross receipt tax and documentary stamp taxes.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is generally subject to 10.00% gross income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units is taxed at 15.00%. RA No. 9294, which became effective in May 2004, provides that the income derived by the FCDU from foreign currency transactions with non-residents, Offshore Banking Units (OBUs), local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

35. Segment Information

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, which in certain respects, are measured similarly as net income in the consolidated financial statements.

The chief operating decision-maker has been identified as the Executive Committee. This committee reviews the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group does not report its results based on geographical segments because the Group currently operates only in the Philippines. The Group's revenues are earned in the Philippines.

There were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers as of and for the years ended December 31, 2024, 2023 and 2022.

The Group derives its revenues from the following reportable segments:

Real estate operations

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

Hospitality operations

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

Banking and financial services

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

Power and utility operations

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

Sugar operations

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



Other operations

This involves other operations of the Parent Company including FDCI, CTI, FDEV and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while CTI is engaged in providing computer and information technology services. FDEV was organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS Accounting Standards, except for the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).



December 31, 2024									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱26,053,789	₱3,763,329	₱ 41,730,563	₱24,397,973	₱5,815,205	₱-	₱101,760,859	₱-	₱101,760,859
Inter-segment	504,835	-	597,343	1,375,809	-	-	2,477,987	(2,477,987)	-
	26,558,624	3,763,329	42,327,906	25,773,782	5,815,205	-	104,238,846	(2,477,987)	101,760,859
Other income	10,027,959	560,808	8,919,220	164,809	47,108	-	19,719,904	(8,035,225)	11,684,679
	₱36,586,583	₱4,324,137	₱51,247,126	₱25,938,591	₱5,862,313	₱-	₱123,958,750	(₱10,513,212)	₱113,445,538
EBITDA	₱13,768,882	₱914,444	₱12,247,117	₱7,444,190	₱1,067,377	₱3,142,241	₱38,581,309	(₱4,775,130)	₱33,806,179
Net income (loss)	₱6,330,067	(₱3,779)	₱7,607,566	₱3,951,067	₱764,722	₱778,859	₱19,428,502	(₱3,730,149)	₱15,698,353
Assets									
Operating assets	₱250,907,475	₱17,426,016	₱524,737,848	₱38,955,539	₱3,260,950	₱89,405,384	₱924,693,212	(₱111,012,964)	₱813,680,248
Less deferred tax assets - net	102,006	309,298	4,085,435	836,156	110,889	87,048	5,530,832	260,810	5,791,642
Net operating assets	₱250,805,469	₱17,116,718	₱520,652,413	₱38,119,383	₱3,150,061	₱89,318,336	₱919,162,380	(₱111,273,774)	₱807,888,606
Liabilities									
Operating liabilities	₱129,298,179	₱13,417,947	₱451,670,820	₱24,608,086	₱567,494	₱47,738,906	₱667,301,432	(₱40,001,690)	₱627,299,742
Less deferred tax liabilities - net	8,434,100	165,227	-	48,980	-	2,450	8,650,757	457,493	9,108,250
Net operating liabilities	₱120,864,079	₱13,252,720	₱451,670,820	₱24,559,106	₱567,494	₱47,736,456	₱658,650,675	(₱40,459,183)	₱618,191,492

December 31, 2023									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱23,758,661	₱2,856,543	₱33,943,051	₱17,207,202	₱5,027,067	₱-	₱82,792,524	₱-	₱82,792,524
Inter-segment	563,841	-	627,117	1,462,363	169,594	-	2,822,915	(2,822,915)	-
	₱24,322,502	₱2,856,543	₱34,570,168	₱18,669,565	₱5,196,661	-	₱85,615,439	(₱2,822,915)	₱82,792,524
Other income	7,076,840	704,083	7,785,357	415,936	58,172	-	16,040,388	(5,991,371)	10,049,017
	₱31,399,342	₱3,560,626	₱42,355,525	₱19,085,501	₱5,254,833	-	₱101,655,827	(₱8,814,286)	₱92,841,541
EBITDA	₱10,994,632	₱926,594	₱9,252,886	₱5,507,135	₱980,223	₱3,166,975	₱30,828,445	(₱4,957,677)	₱25,870,768
Net income (loss)	₱5,562,613	(₱52,006)	₱6,083,296	₱2,512,123	₱621,450	₱952,368	₱15,679,844	(₱3,543,034)	₱12,136,810



December 31, 2023									
	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Assets									
Operating assets	₱245,812,029	₱14,780,326	₱464,205,319	₱36,807,927	₱2,895,694	₱88,487,652	₱852,988,947	(₱118,054,914)	₱734,934,033
Less deferred tax assets - net	52,220	309,354	4,098,880	761,746	84,527	62,252	5,368,979	259,967	5,628,946
Net operating assets	₱245,759,809	₱14,470,972	₱460,106,439	₱36,046,181	₱2,811,167	₱88,425,400	₱847,619,968	(₱118,314,881)	₱729,305,087
Liabilities									
Operating liabilities	₱123,234,132	₱11,278,953	₱397,030,156	₱25,301,776	₱621,589	₱46,714,763	₱604,181,369	(₱46,939,211)	₱557,242,158
Less deferred tax liabilities - net	9,923,955	2,286,914	6,073,341	2,103,189	–	336,182	20,723,581	(10,442,018)	10,281,563
Net operating liabilities	₱113,310,177	₱8,992,039	₱390,956,815	₱23,198,587	₱621,589	₱46,378,581	₱583,457,788	(₱36,497,193)	₱546,960,595
December 31, 2022									
	Real Estate Operations)	Hospitality Operations	Banking and Financial Services	Power Operations	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
(In Thousands)									
Revenues									
External customers	₱20,046,855	₱1,928,979	₱25,652,661	₱12,899,789	₱4,280,178	₱–	₱64,808,460	₱–	₱64,808,460
Inter-segment	584,063	–	467,665	1,181,637	(217,398)	–	2,015,967	(2,015,967)	–
	₱20,630,918	₱1,928,979	₱26,120,326	₱14,081,426	₱4,062,780	–	₱66,824,427	(₱2,015,967)	₱64,808,460
Other income	2,507,716	39,775	5,259,776	222,756	65,057	2,393,727	10,488,807	(4,173,675)	6,315,132
	₱23,135,634	₱1,968,754	₱31,380,102	₱14,304,182	₱4,127,837	₱2,393,727	₱77,313,234	(₱6,189,642)	₱71,123,592
EBITDA	₱8,338,406	(₱44,764)	₱8,565,990	₱4,300,344	₱559,812	₱1,925,129	₱23,647,657	(₱2,888,482)	₱20,759,174
Net income (loss)	₱4,004,395	(₱645,176)	₱4,966,098	₱2,014,604	₱309,220	(₱124,128)	₱10,525,013	(₱2,222,353)	₱8,302,660
Assets									
Operating assets	₱239,305,327	₱13,852,233	₱429,029,192	₱35,067,326	₱2,616,541	₱81,257,703	₱801,128,322	(₱114,307,713)	₱686,820,609
Less deferred tax assets - net	94,908	129,435	3,906,672	618,461	99,166	59,108	4,907,751	259,966	5,167,717
Net operating assets	₱239,210,419	₱13,722,798	₱425,122,520	₱34,448,865	₱2,517,375	₱81,198,595	₱796,220,571	(₱114,567,679)	₱682,464,786
Liabilities									
Operating liabilities	₱120,192,177	₱11,401,439	₱360,336,994	₱25,366,302	₱996,113	₱47,566,086	₱565,859,111	(₱44,898,544)	₱521,148,567
Less deferred tax liabilities - net	9,451,709	127,087	–	8,263	3,650	53	9,590,762	542,230	10,132,992
Net operating liabilities	₱110,740,468	₱11,274,352	₱360,336,994	₱25,358,039	₱992,463	₱47,566,033	₱556,268,349	(₱44,440,879)	₱511,827,470



The Group's chief operating decision-maker also uses net income per segment after elimination in assessing performance of the identified reportable segments, as follows:

	Net Income (Loss) Before Elimination	Eliminating Entries	Net Income (Loss) After Elimination
(In Thousands)			
December 31, 2024			
Real estate operations	₱6,330,067	(₱622,954)	₱5,707,113
Hospitality operations	(3,779)	269,292	265,513
Banking and financial services	7,607,566	(130,356)	7,477,210
Power and utility operations	3,951,067	352,498	4,303,565
Sugar operations	764,722	(71)	764,651
Other operations	778,859	(3,598,558)	(2,819,699)
	₱19,428,502	(₱3,730,149)	₱15,698,353
December 31, 2023			
Real estate operations	₱5,562,613	(₱25,004)	₱5,537,609
Hospitality operations	(52,006)	157,668	105,662
Banking and financial services	6,083,296	(144,223)	5,939,073
Power and utility operations	2,512,123	322,437	2,834,560
Sugar operations	621,450	(16,035)	605,415
Other operations	952,368	(3,837,877)	(2,885,509)
	₱15,679,844	(₱3,543,034)	₱12,136,810
December 31, 2022			
Real estate operations	₱4,004,395	₱93,144	₱4,097,539
Hospitality operations	(645,176)	44,830	(600,346)
Banking and financial services	4,966,098	(526,040)	4,440,058
Power and utility operations	2,014,604	173,839	2,188,443
Sugar operations	309,220	158,708	467,928
Other operations	(124,128)	(2,166,834)	(2,290,962)
	₱10,525,013	(₱2,222,353)	₱8,302,660

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2024	2023	2022
(In Thousands)			
EBITDA for reportable segments	₱33,806,179	₱25,870,768	₱20,759,175
Depreciation and amortization (Notes 28 and 29)	(6,083,458)	(5,204,280)	(5,368,958)
Operating profit	27,722,721	20,666,488	15,390,217
Interest expense (Note 29)*	(7,167,416)	(5,165,195)	(4,698,672)
Income before income tax	₱20,555,305	₱15,501,293	₱10,691,545

* Excluding financial liability on lease contract.



Disaggregated Revenue Information:

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and other geographical location within the Philippines.

Real estate operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2024	2023	2022
	(In Thousands)		
Real Estate Sales by Product Type			
Lots, condominium and residential units	₱17,567,000	₱16,094,806	₱13,314,664
	17,567,000	16,094,806	13,314,664
Cinema Operations by Type of Goods or Services (included as part of Rental and related services revenue)			
Theater and parking sales	248,461	214,452	163,853
Snack bar sales	15,188	14,066	8,871
	263,649	228,518	172,724
Tenant Dues			
Office leasing	1,176,240	1,149,383	1,158,229
Mall operations	415,697	379,197	344,514
	1,591,937	1,528,580	1,502,743
Total Revenue from Contracts with Customers			
	19,422,586	17,851,904	14,990,131
Rental and related services			
Office leasing	3,334,270	3,568,857	3,450,151
Mall and retail	2,800,403	2,010,394	1,444,721
Land lease	496,530	327,506	161,850
	6,631,203	5,906,757	5,056,722
Total Revenue			
	₱26,053,789	₱23,758,661	₱20,046,853

The Group's real estate sales and theater sales are revenue from contracts with customers recognized over time while revenue from snack bar sales and parking sales are recognized at a point in time.

Hospitality operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2024	2023	2022
	(In Thousands)		
Hospitality Operations by Type of Services			
Rooms services	₱2,148,246	₱1,559,733	₱941,107
Golf operations related services	405,465	383,635	214,328
Other operating departments	144,514	141,189	68,376
	2,698,225	2,084,557	1,223,811
Sale of Goods by Product Type			
Food and beverage	1,065,104	771,986	705,168
Total Revenue from Contracts with Customers			
	₱3,763,329	₱2,856,543	₱1,928,979



The Group recognizes revenue from room services and services of other operating department over time while revenue from sale of food and beverage, souvenirs and others are recognized at a point in time.

Banking and financial services

Disaggregation of each source of revenue from banking and financial services are presented below:

	2024	2023	2022
	(In Thousands)		
Interest Income			
Loans and receivables (Note 9)	₱36,029,391	₱29,222,542	₱21,942,930
Financial assets at FVOCI and investment securities at amortized cost (Note 12)	4,937,096	4,109,779	3,018,589
Financial assets as FVPL (Note 12)	526,901	220,277	163,904
Due from other banks and IBLR (Note 6)	237,175	390,453	527,238
	₱41,730,563	₱33,943,051	₱25,652,661

Power and utility operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2024	2023	2022
	(In Thousands)		
Revenue by Type of Services			
Generated power	₱24,378,438	₱17,207,202	₱12,819,596
Retail electricity supply	19,535	-	80,193
Total Revenue from Contracts with Customers	₱24,397,973	₱17,207,202	₱12,899,789

The Group's revenue from generated power and retail electricity supply is recognized over time.

Sugar operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	2024	2023	2022
	(In Thousands)		
By Product Type			
Raw sugar	₱3,908,740	₱3,193,067	₱2,749,335
Milling revenues	1,432,612	1,427,184	1,170,153
Refined sugar	473,358	317,912	43,360
Molasses	476	88,904	326,637
Others	19	-	(9,307)
Total Revenue from Contracts with Customers	₱5,815,205	₱5,027,067	₱4,280,178

The Group's revenue from raw sugar, refined sugar and molasses is recognized at the point when control of the goods is transferred to customers.



36. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2024				
	Carrying Value	Fair Value			
		Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Thousands)					
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱9,163,963	₱9,163,963	₱9,163,963	₱-	₱-
Equity securities	10,312	10,312	10,312	-	-
	9,174,275	9,174,275	9,174,275	-	-
Derivative assets (Note 20)	83,133	83,133	-	83,133	-
Financial assets at FVOCI (Note 12)					
Government debt securities	21,762,659	21,762,659	21,762,659	-	-
Private bonds	7,227,180	7,227,180	7,227,180	-	-
Quoted equity securities including club shares	946,710	946,710	946,710	-	-
Unquoted equity securities	47,060	47,060	47,060	-	-
	29,983,609	29,983,609	29,983,609	-	-
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	80,137,018	73,471,550	73,471,550	-	-
Private bonds	1,785,732	1,814,434	1,814,434	-	-
	81,922,750	75,285,984	75,285,984	-	-
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	47,254,031	48,883,619	-	-	48,883,619
Consumer lending	266,602,986	299,537,284	-	-	299,537,284
Unquoted debt securities	9,799,939	11,074,399	-	-	11,074,399
	323,656,956	359,495,302	-	-	359,495,302
Real estate operations (Note 7)					
Contracts receivable	4,717,975	4,717,975	-	-	4,717,975
Receivables from tenants	2,784,809	2,784,809	-	-	2,784,809
	7,502,784	7,502,784	-	-	7,502,784
Nonfinancial assets					
Investment properties (Note 16)	103,641,040	350,466,426	-	-	350,466,426
Total assets	₱555,964,547	₱831,991,513	₱114,443,868	₱83,133	₱717,464,512
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities (Note 23)					
	₱-	₱-	₱-	₱-	₱-
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	74,175,348	74,175,348	-	-	74,175,348
Savings	164,197,890	164,197,890	-	-	164,197,890
Demand	134,169,558	134,169,558	-	-	134,169,558
	372,542,796	372,542,796	-	-	372,542,796
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	24,975,262	24,975,262	-	-	24,975,262
Retention fee payable	3,694,748	3,694,748	-	-	3,694,748
Deposits for registration	1,971,433	1,971,433	-	-	1,971,433
	30,641,443	30,641,443	-	-	30,641,443
Lease liabilities (Note 32)	9,042,566	9,042,566	-	-	9,042,566
Long-term and short-term debt (Note 24)	137,331,240	131,762,987	-	-	131,762,987
	₱549,558,045	₱543,989,792	₱-	₱-	₱543,989,792



	2023				
	Carrying Value	Fair Value			
		Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In Thousands)				
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱4,058,236	₱4,058,236	₱4,058,236	₱-	₱-
Private bonds	43,707	43,707	43,707	-	-
Equity securities	10,379	10,379	10,379	-	-
	4,112,322	4,112,322	4,112,322	-	-
Derivative assets (Note 20)	21,812	21,812	-	21,812	-
Financial assets at FVOCI (Note 12)					
Government debt securities	11,731,843	11,731,843	11,731,843	-	-
Private bonds	6,737,050	6,737,050	6,737,050	-	-
Quoted equity securities including club shares	906,182	906,182	906,182	-	-
Unquoted equity securities	36,350	36,350	36,350	-	-
	19,411,425	19,411,425	19,411,425	-	-
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	71,825,991	69,271,962	69,271,962	-	-
Private bonds	3,575,028	3,710,044	3,710,044	-	-
	75,401,019	72,982,006	72,982,006	-	-
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	42,342,410	44,192,824	-	-	44,192,824
Consumer lending	228,933,071	259,601,838	-	-	259,601,838
Unquoted debt securities	9,977,897	11,661,816	-	-	11,661,816
	281,253,378	315,456,478	-	-	315,456,478
Real estate operations (Note 7)					
Contracts receivable	3,582,421	3,582,421	-	-	3,582,421
Receivables from tenants	2,495,211	2,495,211	-	-	2,495,211
	6,077,632	6,077,632	-	-	6,077,632
Nonfinancial assets					
Investment properties (Note 16)	98,240,278	336,297,865	-	-	336,297,865
Total assets	₱482,850,295	₱756,789,261	₱98,935,474	₱21,812	₱657,831,975
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities (Note 23)	₱103,083	₱103,083	₱-	₱103,083	₱-
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	64,126,014	64,126,014	-	-	64,126,014
Savings	152,641,165	152,641,165	-	-	152,641,165
Demand	122,014,133	122,014,133	-	-	122,014,133
	338,781,312	338,781,312	-	-	338,781,312
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	16,783,176	15,702,609	-	-	15,702,609
Retention fee payable	3,100,078	2,900,638	-	-	2,900,638
Deposits for registration	3,987,504	3,730,616	-	-	3,730,616
	23,870,758	22,333,863	-	-	22,333,863
Lease liabilities (Note 32)	8,454,337	10,213,638	-	-	10,213,638
Long-term and short-term debt (Note 24)	132,371,944	159,917,812	-	-	159,917,812
	₱503,581,434	₱531,349,708	₱-	₱103,083	₱531,246,625



The methods and assumptions used by the Group in estimating the fair value of the financial instruments are:

- *Financial assets at FVPL:* Fair value is based on quoted prices as of reporting dates.
- *Loans and receivables:* Fair values of loans and receivables is based on the discounted value of future cash flows using the prevailing interest rates and current incremental lending rates for similar types of receivables for real estate operations and banking and financial services, respectively. Interest rate used was 11.5% - 19.0% in 2024 and 2023. Carrying amounts of cash and cash equivalents approximate fair values considering that these consist mostly of overnight deposits and floating rate placements.
- *Debt securities:* Fair values are generally based upon quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.
- *Equity securities:* Fair values of quoted equity securities are based on quoted market prices.
- *Deposit liabilities:* Fair values of liabilities approximate their carrying amounts due either to the demand nature or the relatively short-term maturities of these liabilities except for time deposit liabilities whose fair value are estimated using the discounted cash flow methodology using EWBC's IBR for similar borrowings with maturities consistent with those remaining for the liability being valued.
- *Bills and acceptances payable:* The carrying amounts approximate fair values due to short-term nature of transactions.
- *Accounts payable, accrued expenses and other liabilities:* On accounts due within 1 year, the fair value of accounts payable, accrued expenses and other liabilities approximates the carrying amounts. On accounts due for more than 1 year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables. Interest rate used was 6.83% and 6.18% in 2024 and 2023, respectively.
- *Derivative instruments:* Fair values of derivative instruments, mainly forwards and swaps, are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique is forward pricing, which uses present value calculations. The model incorporates various inputs including the foreign exchange rates and interest rate curves prevailing at the statement of financial position date.
- *Long-term and short-term debt:* Estimated fair value on debts with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable risk free rates for similar types of loans adjusted for credit risk. The discount rates used range from 4.2% to 7.0% and 4.5% to 7.2% as of December 31, 2024 and 2023, respectively. Long-term debt subjected to quarterly repricing and short-term debt are not discounted since it approximates fair value.

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



37. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost, loans from financial institutions, mortgage and contracts receivables and other receivables. The main purpose of these financial instruments is to raise financing for the Group's operations. The main objectives of the Group's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

Banking and Financial Operations

Risk management

To ensure that corporate goals and objectives and business and risk strategies are achieved, EW utilizes a risk management process that is applied throughout the organization in executing all business activities. Employees' functions and roles fall into 1 of the 3 categories where risk must be managed in the business units, operating units and governance units.

EWBC's activities are principally related to the use of financial instruments and are exposed to credit risk, liquidity risk, operational risk and market risk, the latter being subdivided into trading and non-trading risks. Forming part of a coherent risk management system are the risk concepts, control tools, analytical models, statistical methodologies, historical researches and market analysis, which are being employed by EWBC. These tools support the key risk process that involves identifying, measuring, controlling and monitoring risks.

Risk management structure

a. BOD

EWBC's risk culture is practiced and observed across EWBC putting the prime responsibility on the BOD. It establishes the risk culture and the risk management organization and incorporates the risk process as an essential part of the strategic plan of EWBC. The BOD approves EWBC's articulation of risk appetite which is used internally to help management understand the tolerance for risk in each of the major risk categories, its measurement and key controls available that influence EWBC's level of risk taking. All risk management policies and policy amendments, risk-taking limits such as but not limited to credit and trade transactions, market risk limits, counterparty limits, trader's limits and activities are based on EWBC's established approving authorities which are approved by EWBC's BOD. At a high level, the BOD also approves EWBC's framework for managing risk.

b. Executive Committee

This is a board level committee, which reviews the bank-wide credit strategy, profile and performance. It approves the credit risk-taking activities based on EWBC's established approving authorities and likewise reviews and endorses credit-granting activities, including the Internal Credit Risk Rating System.

c. Loan and Investments Committee

This committee is headed by the Chairman of EWBC whose primary responsibility is to oversee EWBC's credit risk-taking activities and overall adherence to the credit risk management framework, review business/credit risk strategies, quality and profitability of EWBC's credit portfolio and recommend changes to the credit evaluation process, credit risk acceptance criteria and the minimum and target return per credit or investment transaction. All credit risk-taking



activities based on EWBC's established approving authorities are evaluated and approved by this committee.

It establishes an infrastructure by ensuring business units have the right systems and adequate and competent manpower support to effectively manage its credit risk.

d. ALCO

ALCO, a management level committee, meets on a weekly basis and is responsible for the overall management of EWBC's market, liquidity, and financial position related risks. It monitors EWBC's liquidity position and reviews the impact of strategic decisions on liquidity. It is responsible for managing liquidity risks and ensuring exposures remain within established tolerance levels. The ALCO's primary responsibilities include, among others, (a) ensuring that EW and each business unit holds sufficient liquid assets of appropriate quality and in appropriate currencies to meet short-term funding and regulatory requirements, (b) managing financial position and ensuring that business strategies are consistent with its liquidity, capital and funding strategies, (c) establishing asset and/or liability pricing policies that are consistent with the financial position objectives, (d) recommending market and liquidity risk limits to the Risk Management Committee (RMC) and BOD and I approving the assumptions used in contingency and funding plans. It also reviews cash flow forecasts, stress testing scenarios and results, and implements liquidity limits and guidelines.

e. RMC

RMC is a BOD level committee that convenes monthly and is primarily responsible in assisting the BOD in managing the EWBC's risk-taking activities. This is performed by the committee by institutionalizing risk policies and overseeing EWBC's risk management system. It develops and recommends risk appetite and tolerances for the EWBC's major risk exposures to the BOD. Risk management principles, strategies, framework, policies, processes, and initiatives and any modifications and amendments thereto are reviewed and approved by RMC. It oversees and reports to the BOD the effectiveness of the risk management system, overall risk profile, and compliance with the risk appetite and tolerances that the Board approved.

f. Audit Committee (Audit Com)

The Audit Com assists the BOD in fulfilling its responsibilities for overseeing senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide reasonable assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. It is tasked to discuss with management EWBC's major risk exposures and ensures accountability on the part of management to monitor and control such exposures including EWBC's risk assessment and risk management policies. The Audit Com oversees the internal audit function and is responsible for monitoring and reviewing its effectiveness while ensuring its independence.

g. Corporate Governance and Compliance Committee (CGCC)

The CGCC leads the Parent Company in defining and fulfilling the corporate governance policies and attaining best practices while overseeing the implementation of EWBC's compliance program, money laundering and terrorist financing prevention program and ensuring that regulatory compliance issues are resolved expeditiously. In addition to its governance role, the CGCC also assumes the nomination function whereby it reviews and evaluates the qualifications of all persons nominated to the BOD, all direct reports of the President and Chief Executive Officer (CEO), Heads of Governance Units regardless of rank, and other positions of EWBC requiring appointment by the BOD. The committee oversees the annual performance evaluation of the BOD, its committees, and individual directors and conducts an annual self-evaluation of its



performance as prescribed under and in accordance with the Corporate Governance Manual and SEC Code of Corporate Governance for Publicly Listed Companies.

h. RPT Committee

The RPT Committee assists the BOD in ensuring that the transactions with related parties of EWBC are handled in a sound and prudent manner, with integrity and in compliance with the applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. It also ensures that related party transactions are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged by such transactions.

i. Asset Impairment Committee (AIC)

AIC is a management level committee that convenes monthly in a year, and shall officially represent EWBC's source of experienced credit judgment insofar as the asset impairment exercise is concerned. This experienced credit judgment is tapped to provide guidance under the following, but not limited to, conditions: 1) The result of the calculation is assessed to be unreasonable that it is considered as not fairly representative of EWBC's historical experience, current, and prospective credit condition or other conditions deemed relevant in reasonably determining EWBC's assets' recoverable value; 2) There is an adverse change in the prevailing or foreseen prospective economic condition relative to the embedded presumption in the existing impairment framework; and 3) The data set in the calculation parameters is not available or insufficient to complete the calculation.

j. Risk Management Division (RMD)

RMD performs an independent risk governance function within EWBC. RMD is tasked with identifying, measuring, controlling and monitoring existing and emerging risks inherent in EWBC's overall portfolio (on- or off-balance sheet). RMD develops and employs risk assessment tools to facilitate risk identification, analysis and measurement. It is responsible for developing and implementing the framework for policies and practices to assess and manage enterprise-wide market, credit, operational, and all other risks of EWBC.

It also develops and endorses risk tolerance limits for BOD approval, as endorsed by the RMC, and monitors compliance with approved risk tolerance limits. Finally, it regularly appraises the BOD, through the RMC, the results of its risk monitoring.

k. Internal Audit (IA)

IA provides an independent assessment of the adequacy of EWBC's internal controls, risk management, governance framework and execution/operational practices. Internal audit activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPPIA) and the Code of Ethics. IA has an adopted a risk assessment methodology, which provides a sound basis in the selection of areas of coverage and frequency of audit for the preparation of the annual audit plan. IA employs a risk-based audit approach that examines both the adequacy of the policies and EWBC's compliance with the procedures while assuring audit coverage of the areas identified as representing the greatest current risk. It discusses the results of assessments with management, and reports its findings and recommendations to the Audit Com. IA's activities are suitably designed to provide the BOD with reasonable assurance that significant financial and operating information is materially complete, reliable and accurate; internal resources are adequately protected; and employee performance is in compliance with EWBC's policies, standards, procedures and applicable laws and regulations.



1. Compliance Division

Compliance Division is vested with the responsibility of overseeing the design of EWBC's Compliance Program and coordinating its effective implementation towards the sound management of Business and Compliance Risks. It also manages the implementation of the Money Laundering and Terrorist Financing Program. Its mandate is to ensure that EWBC is compliant with relevant and applicable laws, rules, regulations, codes of conduct and standards of good practice while avoiding an overly risk-averse environment that inhibits business growth. It serves as EWBC's central point of contact with banking regulators.

The major risk types identified by Group are disclosed in the following section:

Credit Risk

Credit risk refers to the potential loss of earnings or capital arising from an obligor/s, customer/s or counterparty's failure to perform and/or to meet the terms of any contract with EWBC. Credit risks may last for the entire tenor and set at the full amount of a transaction and, in some cases, may exceed the original principal exposures. The risk may arise from lending, trade financing, trading, investments and other activities undertaken by EWBC. To identify and assess this risk, EWBC has: 1) approval process per borrower or business and/or product segment; 2) structured and standardized credit rating for corporate, credit cards, auto and mortgage loans, and risk acceptance criteria for other consumer loans. For large corporate credit transactions, EWBC has a comprehensive procedure for credit evaluation, risk assessment and well-defined concentration limits, which are established for each type of borrower. EWBC's credit risk is managed at the portfolio level, which may be on an overall or by product perspective.

Credit concentration

Excessive concentration of lending plays a significant role in the weakening of asset quality. EWBC reduces this risk by diversifying its loan portfolio across various sectors and borrowers. EWBC believes that good diversification across economic sectors and geographic areas, among others, will enable it to ride through business cycles without causing undue harm to its asset quality.

EWBC's loan portfolio is in line with EWBC's policy of not having significant concentrations of exposure to specific industries or group of borrowers. Management of concentration of risk is by client/counterparty, by industry sector and by geographical location. For risk concentration monitoring purposes, the financial assets are broadly categorized into loans and receivables, loans and advances to banks, and investment securities. EWBC ensures compliance with BSP's limit on exposure to any single person or group of connected persons by closely monitoring large exposures and top 20 borrowers for both single and group accounts.

Aside from ensuring compliance with BSP's limit on exposures to any single person or group of connected persons, it is EWBC's policy to keep the expected loss (determined based on the credit risk rating of the account) of large exposure accounts to, at most, one percent (1.0%) of their aggregate outstanding balance. This is to maintain the quality of EWBC's large exposures. With this, accounts with better risk grades are given priority in terms of being granted a bigger share in EWBC's loan facilities.

Aligned with the Manual of Regulations for Banks definition, EWBC considers its loan portfolio concentrated if it has exposures of more than thirty percent (30.0%) to an industry. In addition to the Concentration Ratio, the Herfindahl-Hirschman Index was implemented by the Bank, where the concentration threshold is set at 0.15.



Credit Concentration Profile as of December 31, 2024 and 2023

Maximum exposure to credit risk

The following table shows EWBC's maximum exposure to credit risk, before and after taking into account any collateral held or other credit enhancements:

	2024				2023			
	Maximum Exposure to Credit Risk [A]	Fair Value of Collateral [B]	Financial Effect of Collateral [C]	Net Exposure [D] = [A] - [C]	Maximum Exposure to Credit Risk [A]	Fair Value of Collateral [B]	Financial Effect of Collateral [C]	Net Exposure [D] = [A] - [C]
(In Thousands)								
Securities purchased under resell agreement (SPURA)	P-	P-	P-	P-	P15,976,310	P15,976,310	P15,976,310	P-
Loans and receivables								
Receivables from customers*								
Corporate lending	59,952,576	27,054,782	9,257,985	50,694,591	59,632,224	26,694,071	8,851,633	50,780,591
Consumer lending	274,352,956	98,913,632	78,179,415	196,173,541	237,245,146	92,740,786	71,702,992	165,542,154
	P334,305,532	P125,968,414	P87,437,400	P246,868,132	P312,853,680	P135,411,167	P96,530,935	P216,322,745

*Excludes unamortized premium

For off-balance sheet items, the figures presented below as reported to BSP summarize EWBC's maximum exposure to credit risk:

	2024					2023				
	Notional Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Credit Risk Mitigation	Net Credit Exposure	Notional Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Credit Risk Mitigation	Net Credit Exposure
(In Thousands)										
Off-balance sheet items*										
Direct credit substitutes	P178,487	100%	P178,487	P-	P178,487	P434,151	100%	P434,151	P-	P434,151
Transaction-related contingencies	4,919,003	50%	2,459,502	-	2,459,502	3,087,808	50%	1,543,904	-	1,543,904
Guarantees	3,040	20%	608	-	608	91,216	20%	18,243	-	18,243
Letters of credit	609,710	20%	121,942	-	121,942	392,906	20%	78,581	-	78,581
	P5,710,240		P2,760,539	P-	P2,760,539	P4,006,081		P2,074,879	P-	P2,074,879

*For all other off-balance sheet exposures, credit conversion factor is 0.00%.

Collateral and other credit enhancements

Collaterals are taken into consideration during the loan application process as they offer an alternative way of collecting from the client should a default occur. The percentage of loan value attached to the collateral offered is part of EWBC's lending guidelines. Such percentages take into account safety margins for foreign exchange rate exposure/fluctuations, interest rate exposure, and price volatility.

Collaterals are valued according to existing credit policy standards and, following the latest appraisal report, serve as the basis for the amount of the secured loan facility. Premium security items are collaterals that have the effect of reducing the estimated credit risk for a facility. The primary consideration for enhancements falling under such category is the ease of converting them to cash.

EWBC is not permitted to sell or re-pledge the collateral in the absence of default by the owner of the collateral. It is EWBC's policy to dispose foreclosed assets in an orderly fashion. The proceeds of the sale of the foreclosed assets, included under 'Investment properties', are used to reduce or repay the outstanding claim. In general, EWBC does not occupy repossessed properties for business use.

As part of EWBC's risk control on security/collateral documentation, standard documents are made for each security type and deviation from the pro-forma documents are subject to legal review prior to implementation.



Credit collaterals profile

The table below provides the collateral profile of the outstanding loan portfolio of EWBC:

	2024		2023	
	Gross Amount	%	Gross Amount	%
Loans secured by:				
Chattel	₱87,345,635	26.13	₱81,558,366	27.47
Real Estate	23,483,527	7.02	22,569,967	7.60
Others*	15,337,228	4.59	15,516,687	5.23
	126,166,390	37.74	119,645,020	40.30
	208,139,142	62.26	177,232,351	59.70
Unsecured	₱334,305,532	100.00	₱296,877,371	100.00

*Consists of government securities, corporate bonds, shares of stock, hold-out on deposits, assignment of receivables etc.

The credit exposures, after due consideration of the allowed credit enhancements, are considered the maximum credit exposure to any client or counterparty.

As for the computation of credit risk weights, hold-out on deposits with EWBC, Home Guaranty cover, and Philippine sovereign guarantees are the only credit risk mitigants considered as eligible.

Large Exposures and Top 20 Borrowers

The table below summarizes the top 20 borrowers and large exposures of EWBC:

	2024			
	Top 20 Borrowers		Large Exposures*	
	Single Borrowers	Group Borrowers	Single Borrowers	Group Borrowers
Aggregate Exposure (In Billions)	₱26,301,306	₱29,408,995	–	₱12,227,344
Composite Risk Rating	4.42	4.42	–	4.00
Total Expected Loss/Aggregate Exposure	0.40%	0.42%	–	0.01%

*Large exposures refer to exposures to a counterparty or a group of related counterparties equal to or greater than 10.0% of EWBC's qualifying capital.

	2023			
	Top 20 Borrowers		Large Exposures*	
	Single Borrowers	Group Borrowers	Single Borrowers	Group Borrowers
Aggregate Exposure (In Billions)	₱27,788,038	₱29,125,122	₱7,487,500	₱12,286,823
Composite Risk Rating	3.15	3.39	1.00	1.00
Total Expected Loss/Aggregate Exposure	3.22%	1.39%	0.01%	0.01%

*Large exposures refer to exposures to a counterparty or a group of related counterparties equal to or greater than 10.0% of EWBC's qualifying capital.



Concentration by Industry

An industry sector analysis of the financial assets of EWBC follows:

	2024					
	Loans and Receivables		Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
	Amount	%				
Activities of households as employers and undifferentiated goods-and-services-producing activities of households for own use	₱245,981,909	70.67	₱-	₱-	₱-	₱245,981,909
Real estate, renting and business activity	24,158,158	6.94	-	15,068	-	24,173,226
Wholesale and retail trade, repair of motor vehicles	24,349,576	7.00	-	-	-	24,349,576
Financial intermediaries	11,275,946	3.24	32,875,659	543,369	-	44,694,974
Education	11,354,519	3.26	-	-	-	11,354,519
Manufacturing	7,498,635	2.15	-	100	-	7,498,735
Electricity, gas, steam and air-conditioning supply	6,685,576	1.92	-	2,575,869	-	9,261,445
Other service activities	5,714,031	1.64	-	1,147,480	-	6,861,511
Accommodation and food service activities	2,354,096	0.68	-	561,633	-	2,915,729
Transportation and storage	1,802,273	0.52	-	-	-	1,802,273
Government and foreign sovereign	1,876,518	0.54	-	111,074,777	-	112,951,295
Construction	1,846,242	0.53	-	-	-	1,846,242
Agriculture, fisheries and forestry	1,007,156	0.29	-	-	-	1,007,156
Administrative and support service activities	694,475	0.20	-	-	-	694,475
Holding	75,432	0.02	-	4,194,772	-	4,270,204
Others****	1,414,438	0.40	-	-	559,934	1,974,372
	348,088,980	100	32,875,659	120,113,068	559,934	501,637,641
Allowance for credit losses	11,480,756	-	1,327	11,136	-	11,493,219
Total	₱336,608,224		₱32,874,332	₱120,101,932	₱559,934	₱490,144,422

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets'

**** Includes Arts and recreation activities, mining and quarrying, human health and social activities, and information and communication.

	2023					
	Loans and Receivables		Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
	Amount	%				
Activities of households as employers and undifferentiated goods-and-services-producing activities of households for own use	₱212,499,312	68.87	₱-	₱-	₱-	₱212,499,312
Real estate, renting and business activity	24,703,996	8.01	-	15,068	-	24,719,064
Wholesale and retail trade, repair of motor vehicles	22,786,921	7.39	-	-	-	22,786,921
Financial intermediaries	10,022,249	3.25	35,083,516	2,411,398	-	47,517,163
Education	9,803,173	3.18	-	-	-	9,803,173
Manufacturing	7,449,135	2.41	-	166	-	7,449,301
Electricity, gas, steam and air-conditioning supply	7,128,870	2.31	-	2,399,382	-	9,528,252
Other service activities	3,736,544	1.21	-	1,071,840	-	4,808,384
Accommodation and food service activities	2,466,181	0.80	-	519,648	-	2,985,829
Transportation and storage	2,136,776	0.69	-	-	-	2,136,776
Government and foreign sovereign	1,535,700	0.50	-	87,626,099	-	89,161,799
Construction	1,509,341	0.49	-	-	-	1,509,341
Agriculture, fisheries and forestry	829,046	0.27	-	-	-	829,046
Administrative and support service activities	550,605	0.18	-	-	-	550,605
Holding	72,204	0.02	-	3,964,409	-	4,036,613
Others****	1,309,133	0.42	-	-	643,853	1,952,986
	308,539,186	100.00	35,083,516	98,008,010	643,853	442,274,565
Allowance for credit losses (Note 15)	11,923,717	-	821	10,708	-	11,935,246
Total	₱296,615,469		₱35,082,695	₱97,997,302	₱643,853	₱430,339,319

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets'

**** Includes Arts and recreation activities, mining and quarrying, human health and social activities, and information and communication.



Geographic segmentation

The distribution of EWBC's financial assets and credit commitment items by geographic region as of December 31, 2024 and 2023 follows:

	2024				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
Philippines	₱347,529,910	₱30,144,848	₱102,736,831	₱503,722	₱480,915,311
Asia (excluding Philippines)	286,432	346,037	13,576,130	-	14,208,599
Australia	-	39,337	-	-	39,337
Europe	22,365	565,822	3,789,810	15,356	4,393,353
North America	52,668	-	10,297	-	62,965
USA	-	1,779,615	-	40,856	1,820,471
	347,891,375	32,875,659	120,113,068	559,934	501,440,036
Allowance for credit losses	11,480,756	1,327	11,136	-	11,493,219
	₱336,410,619	₱32,874,332	₱120,101,932	₱559,934	₱489,946,817

* Includes Due from BSP, Due from Other Banks and Interbank loans receivables and SPURA

** Includes financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets'

	2023				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Other Financial Assets***	Total
Philippines	₱308,190,548	₱33,405,685	₱81,520,409	₱639,562	₱423,756,204
Asia (excluding Philippines)	279,347	661,626	13,198,807	-	14,139,780
Australia	-	73,293	-	-	73,293
Europe	21,534	164,522	2,022,107	4,272	2,212,435
North America	47,757	-	1,266,686	-	1,314,443
USA	-	778,390	-	19	778,409
	308,539,186	35,083,516	98,008,009	643,853	442,274,564
Allowance for credit losses	11,923,717	821	10,708	-	11,935,246
	₱296,615,470	₱35,082,695	₱97,997,301	₱643,853	₱430,339,319

* Includes Due from BSP, Due from Other Banks and IBLR.

** Includes financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost.

*** Includes other financial assets presented under 'Other assets' and commitments and contingent accounts

The following summarizes EWBC's credit risk management practices and the relevant quantitative and qualitative financial information regarding the credit exposures according to EWBC's portfolios:

Internal Credit Risk Rating System

EWBC's employs a credit scoring system for borrowers to assess risks relating to the borrower and the loan exposure. Borrower risk is evaluated by considering (a) quantitative factors, such as financial condition and (b) qualitative factors, such as management quality and industry outlook.

For corporate loans, the financial condition assessment focuses on profitability, liquidity, working capital management, and leverage. Management quality determination is based on the borrower's strategies, management competence and skills, and management of banking relationship while industry outlook is evaluated based on its importance to the economy, growth, industry structure and relevant government policies. Based on these factors, each borrower is assigned a Borrower Risk Rating (BRR), that ranges from 1 to 6. A borrower may be downgraded when it exhibits the characteristics of a classified account described below, in which case it will be assigned a risk rating ranging from 7 to 10.

The BRR for each borrower is reviewed annually. A more frequent review is warranted in cases where the borrower has a higher risk profile or when there are extraordinary or adverse developments affecting the borrower, the industry and/or the Philippine economy.



The following is a brief explanation of EWBC's risk grades:

Rating	Description	Account/Borrower Characteristics
1	Excellent	<ul style="list-style-type: none"> • low probability of going into default within the coming year; very high debt service capacity and balance sheets show no sign of any weakness • has ready access to adequate funding sources • high degree of stability, substance and diversity • of the highest quality under virtual economic conditions
2	Strong	<ul style="list-style-type: none"> • low probability of going into default in the coming year • access to money markets is relatively good • business remains viable under normal market conditions • strong market position with a history of successful financial performance • financials show adequate cash flows for debt servicing and generally conservative balance sheets
3	Good	<ul style="list-style-type: none"> • sound but may be susceptible, to a limited extent, to cyclical changes in the markets in which they operate • financial performance is good and capacity to service debt remains comfortable • cash flows remain healthy and critical balance sheet ratios are at par with industry norms • reported profits in the past three years and expected to sustain profitability in the coming year
4	Satisfactory	<ul style="list-style-type: none"> • clear risk elements exist and probability of going into default is somewhat greater, as reflected in the volatility of earnings and overall performance • normally have limited access to public financial markets • able to withstand normal business cycles, but expected to deteriorate beyond acceptable levels under prolonged unfavorable economic period • combination of reasonably sound asset and cash flow protection
5	Acceptable	<ul style="list-style-type: none"> • risk elements for the EWBC are sufficiently pronounced, but would still be able to withstand normal business cycles • immediate deterioration beyond acceptable levels is expected given prolonged unfavorable economic period • there is sufficient cash flow either historically or expected in the future in spite of economic downturn combined with asset protection



Rating	Description	Account/Borrower Characteristics
5B	Acceptable	<ul style="list-style-type: none"> • financial condition hard to ascertain due to weak validation of financial statements coupled by funding leakages to other business interests whose financial condition is generally unknown • continuous decline in revenues and margins due to competition • substantial or unexplained build-up in borrowings with banks financing bulk of working capital and capex requirements coupled by substantial dividends pay-outs • chronically tight cash flows with operating income negative or barely enough for debt servicing • with past record of past due loans with other banks, cancelled credit cards and court cases
6	Watchlist	<ul style="list-style-type: none"> • with identified disruptions that may negatively affect performance but are likely to be resolved within the year • deteriorating revenue, net income, margins, and sustained increase in debt levels despite a slowdown in business activity • diversion of fund to non-core or start-up businesses and other investments that are known to be unprofitable or high risk • past due on interest and/or principal for ≤ 30 days and the delinquency is deemed temporary in nature • account is still in current status but already restructured but no payment experience yet or requesting for payment deferments or loan restructuring • with temporary cashflow pressures arising from unexpected circumstances but are likely to be resolved once these adverse events are mitigated or resolved.
7	Special Mention	<ul style="list-style-type: none"> • past due on interest and/or principal payments up to 90 days and the delinquency is not temporary in nature • intermittent delays or inadequate repayment of principal, interest or amortizations • past due account that is already requesting for payment deferments or loan restructuring • restructured account that has yet to meet the required track record of sustained payments • continuous renewal/extension without reduction in principal and lines with all creditors maxed-out and no clear source of repayment due to chronic tightness in cashflows • prolonged contraction in the business brought by adverse economic or market conditions resulting in net losses and affecting its capacity to pay • deficiency in documentation which have not been rectified within an agreed period of time unless for justifiable reasons



Rating	Description	Account/Borrower Characteristics
8	Substandard	<ul style="list-style-type: none"> • NPL or with chronic delays in payment because of unstable cashflow or with no definite commitment to pay or restructure • loans have already been restructured but conditions have not been fully met or tenor has been renegotiated • net loss for the last 2 years that have wiped out capital and business sustainability is a concern unless a major turnaround in business occurs. • due to difficulty in generating cashflows to service debt, repayment of the loans depends on non-operating sources such as collateral, personal funds or other assets • breach of key financial covenants that will have a significant effect on the borrower's capacity to pay
9	Doubtful	<ul style="list-style-type: none"> • business heavily affected by environmental, economic, health, regulatory issues to the point that closure or bankruptcy is becoming imminent • business is almost bankrupt and the only possible solution are either merger, acquisition, capital infusion or refinancing plans which are still being worked-out • business closure is imminent due to challenging business conditions such as substantial loss of market share, unsalable products due to obsolescence, tight competition and influx of cheap substitutes • with uncertainty if the Parent Company could find leviabile assets or if there are other assets that can be liquidated, full recovery of principal remains uncertain due to marketability and other outstanding claims • client is difficult to coordinate with and is non-responsive to demand letters sent • Legal cases filed
10	Loss	<ul style="list-style-type: none"> • business is non-operational and loans are considered absolutely uncollectible due to presence of fraud and major build-up of claims and litigation • borrower's whereabouts unknown or insolvent or earning power-impaired and guarantors are insolvent or guarantee not financially supported

It is EWBC's policy to maintain accurate and consistent risk ratings across the corporate credit portfolio. This facilitates a focused management of the applicable risk and the comparison of credit exposures across all lines of businesses, geographic regions, and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the EWBC's rating policy. The risk ratings are assessed and updated regularly.

The consumer loan portfolio of EWBC is composed of the following product lines: credit cards, auto, mortgage, salary, personal and branch loans. Each of these products has established credit risk guidelines and systems for managing credit risk across all business. For credit cards, auto and mortgage loans, application and behavioral scoring models are in place that primarily consider demographic variables and payment behavior, respectively, for the assessment of the likelihood of default by the borrower. For the other consumer loans, minimum risk acceptance criteria was set for



each portfolio according to the nature of the product and the target market, and is used for the evaluation of the credit quality of borrowers at origination.

For purposes of comparison of different exposure types, the credit portfolios of EWBC are benchmarked against marketable corporate debt securities (using the S&P global study on corporate exposures) based on credit risk rating and corresponding PDs.

EWBC assigns credit risk using the following credit score masterscale:

Credit quality	Description	Credit rating
Investment Grade	These accounts are of the highest quality and are likely to meet financial obligations.	AAA to AA+ AA AA- A+ A A- BBB+ BBB
Standard Grade	These accounts may be vulnerable to adverse business, financial and economic conditions but are expected to meet financial obligations.	BBB- BB+ BB BB- B+ B B-
Substandard Grade	These accounts are vulnerable to non-payment but for which default has not yet occurred.	CCC+ to C-
Non-Performing	These refer to accounts which are in default or those that demonstrate objective evidence of impairment.	Default

External Ratings

EWBC also uses external ratings, such as Standard & Poor's, Moody's, and Fitch, to evaluate its counterparties and in its assignment of credit risk weights to its banking book exposures.

Transactions falling under this category are normally of the following nature: placements with other banks, money market lending, debt security investments, and to some extent, equity security investments.



Credit Rating Grades of Gross Carrying Amounts of Financial Assets

The credit quality by class of EWBC's loans and receivables (gross of allowance for credit losses and unamortized premium) as of December 31, 2024 and 2023 are as follows:

	2024			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Corporate loans*				
Investment Grade	P21,361,349	P-	P-	P21,361,349
Standard Grade	35,978,401	491,268	-	36,469,669
Substandard Grade	-	39,925	-	39,925
Non-Performing	-	-	2,086,025	2,086,025
	57,339,750	531,193	2,086,025	59,956,968
Auto loans				
Investment Grade	2,302,737	-	-	2,302,737
Standard Grade	69,775,372	919,476	-	70,694,848
Substandard Grade	40,404	2,647,021	-	2,687,425
Non-Performing	-	-	5,499,466	5,499,466
	72,118,513	3,566,497	5,499,466	81,184,476
Credit cards				
Investment Grade	1,273	-	-	1,273
Standard Grade	67,747,527	627,487	-	68,375,014
Substandard Grade	408,297	2,453,652	-	2,861,949
Non-Performing	-	-	2,352,497	2,352,497
	68,157,097	3,081,139	2,352,497	73,590,733
Mortgage loans				
Investment Grade				-
Standard Grade	17,745,951	222,750	-	17,968,701
Substandard Grade	-	1,096,225	-	1,096,225
Non-Performing	-	-	1,070,550	1,070,550
	17,745,951	1,318,975	1,070,550	20,135,476
Other Consumer Loans**				
Investment Grade	57,328	-	-	57,328
Standard Grade	84,487,459	100,696	-	84,588,155
Substandard Grade	3,948	3,470,377	-	3,474,325
Non-Performing	-	-	3,820,824	3,820,824
	84,548,735	3,571,073	3,820,824	91,940,632
Other receivables***				
Investment Grade	2,090,154	-	-	2,090,154
Standard Grade	10,751,454	140,633	-	10,892,087
Substandard Grade	5,599	442,713	-	448,312
Non-Performing	-	-	294,225	294,225
	12,847,207	583,346	294,225	13,724,778
Total	P312,757,253	P12,652,223	P15,123,587	P340,533,063

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

	2023			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Corporate loans*				
Investment Grade	P13,138,763	P-	P-	P13,138,763
Standard Grade	39,691,941	2,675,587	-	42,367,528
Substandard Grade	-	1,252,173	-	1,252,173
Non-Performing	-	-	2,873,673	2,873,673
	52,830,704	3,927,760	2,873,673	59,632,137

(Forward)



	2023			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Auto loans				
Investment Grade				
Standard Grade	P63,254,410	P8,230,182	P-	P71,484,592
Substandard Grade	-	111,930	-	111,930
Non-Performing	-	-	6,460,330	6,460,330
	63,254,410	8,342,112	6,460,330	78,056,852
Credit cards				
Investment Grade	5,561	-	-	5,561
Standard Grade	44,346,509	4,581,719	-	48,928,228
Substandard Grade	259,076	2,586,912	-	2,845,988
Non-Performing	-	-	2,133,105	2,133,105
	44,611,146	7,168,631	2,133,105	53,912,882
Mortgage loans				
Investment Grade	-	-	-	-
Standard Grade	16,590,136	3,977	-	16,594,113
Substandard Grade	-	2,197,154	-	2,197,154
Non-Performing	-	-	1,250,576	1,250,576
	16,590,136	2,201,131	1,250,576	20,041,843
Other Consumer Loans**				
Investment Grade				
Standard Grade	71,113,855	44,705	-	71,158,560
Substandard Grade	-	3,865,551	-	3,865,551
Non-Performing	-	-	3,673,003	3,673,003
	71,113,855	3,910,256	3,673,003	78,697,114
Other receivables***				
Investment Grade	1,737,956	-	-	1,737,956
Standard Grade	5,812,495	757,769	-	6,570,264
Substandard Grade	3,695	647,636	-	651,331
Non-Performing	-	-	2,643,685	2,643,685
	7,554,146	1,405,405	2,643,685	11,603,236
Total	P255,954,397	P26,955,295	P19,034,372	P301,944,064

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

The credit quality by class of EWBC's financial assets other than loans and receivables (gross of allowance for credit losses) as of December 31, 2024 and 2023 are as follows:

Credit Score	2024			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Due from BSP				
Investment Grade	P27,361,439	P-	P-	P27,361,439
	27,361,439	-	-	27,361,439
Due from other banks				
Investment Grade	4,750,666	-	-	4,750,666
	4,750,666	-	-	4,750,666
Interbank loans receivables and SPURA				
Investment Grade	763,554	-	-	763,554
	763,554	-	-	763,554
Financial assets at FVPL				
Investment Grade	9,174,276	-	-	9,174,276
	9,174,276	-	-	9,174,276
Financial assets at FVOCI				
Investment Grade	26,823,393	-	-	26,823,393
Standard Grade	523,376	1,658,137	-	2,181,513
	27,346,769	1,658,137	-	29,004,906

(Forward)



Credit Score	2024			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost				
Investment Grade	₱80,321,744	₱-	₱-	₱80,321,744
Standard Grade	-	1,612,142	-	1,612,142
	80,321,744	1,612,142	-	81,933,886
Other financial assets (Note 14)				
Standard Grade	83,133	-	-	83,133
Non-Performing	-	-	617,366	617,366
	83,133	-	617,366	700,499
Total	₱149,801,581	₱3,270,279	₱617,366	₱153,689,226

*Includes security deposits, derivative assets, deposit to suppliers, returned cash and other cash items (RCOCI)

Credit Score	2023			
	Gross carrying amount			Total
	Stage 1	Stage 2	Stage 3	
Due from BSP				
Investment Grade	₱16,171,987	₱-	₱-	₱16,171,987
	16,171,987	-	-	16,171,987
Due from other banks				
Investment Grade	2,470,111	-	-	2,470,111
	2,470,111	-	-	2,470,111
IBLR and SPURA				
Investment Grade	16,441,418	-	-	16,441,418
	16,441,418	-	-	16,441,418
Financial assets at FVTPL				
Investment Grade	4,112,322	-	-	4,112,322
	4,112,322	-	-	4,112,322
Financial assets at FVTOCI				
Investment Grade	16,668,957	-	-	16,668,957
Standard Grade	263,722	1,551,281	-	1,815,003
	16,932,680	1,551,281	-	18,483,960
Investment securities at amortized cost				
Investment Grade	74,857,384	-	-	74,857,384
Standard Grade	-	554,343	-	554,343
	74,857,384	554,343	-	75,411,727
Other financial assets*				
Standard Grade	21,812	-	-	21,812
Non-performing	-	-	622,041	622,041
	21,812	-	622,041	643,853
Total	₱131,007,714	₱2,105,624	₱622,041	₱133,735,378

*Includes security deposits, derivative assets, downpayments and advanced payments, returned cash and other cash items (RCOCI)

Analysis of movements of gross carrying amounts

The movements in the EWBC's total loans and receivables (excluding unamortized premium and allowance for credit and impairment losses) in 2024 and 2023 follow:

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of year	₱255,512,620	₱26,675,910	₱19,477,653	₱301,666,183
Newly originated assets that remained in Stage 1 as at December 31, 2024	339,607,760	-	-	339,607,760
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	8,605,997	3,425,763	12,031,760
Movements in receivable balance	(280,475,679)	(13,104,215)	(9,979,218)	(303,559,112)
Write-offs	(2,499,196)	(1,968,373)	(4,884,893)	(9,352,462)
Transfers from Stage 1	(9,579,677)	5,003,854	4,575,823	-
Transfers from Stage 2	9,040,941	(12,359,865)	3,318,924	-
Transfers from Stage 3	668,618	85,061	(753,679)	-
Balance at end of year	₱312,275,387	₱12,938,369	₱15,180,373	₱340,394,129



	2023			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱184,310,393	₱60,381,569	₱21,622,156	₱266,314,118
Newly originated assets that remained in Stage 1 as at December 31, 2022	143,212,293	–	–	143,212,293
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2022	–	8,738,090	3,637,960	12,376,050
Movements in receivable balance	(66,206,667)	(40,420,538)	(6,786,267)	(113,413,472)
Write-offs	(768,776)	(1,128,026)	(4,926,005)	(6,822,807)
Transfers from Stage 1	(15,560,268)	12,068,311	3,491,957	–
Transfers from Stage 2	9,744,459	(13,265,558)	3,521,099	–
Transfers from Stage 3	781,187	302,061	(1,083,248)	–
Balances at end of year	₱255,512,621	₱26,675,909	₱19,477,652	₱301,666,182

The breakdown of the total gross carrying amounts of the EWBC's loans and receivables (before taking into account any allowance for credit and impairment losses, and unamortized premium) in 2024 and 2023 is as follows:

	2024			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans*				
Balance at beginning of year	₱52,839,509	₱3,918,194	₱2,873,648	₱59,631,351
Newly originated assets that remained in Stage 1 as at December 31, 2024	144,514,898	–	–	144,514,898
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	3,132,907	290,504	3,423,411
Movements in receivable balance	(140,962,099)	(5,518,954)	(147,979)	(146,629,032)
Write-offs	–	–	(1,077,558)	(1,077,558)
Transfers from Stage 1	(16,995)	–	16,995	–
Transfers from Stage 2	600,349	(650,349)	50,000	–
Transfers from Stage 3	5,504	7,979	(13,483)	–
Balance at end of year	56,981,166	889,777	1,992,127	59,863,070
Auto loans				
Balance at beginning of year	63,120,779	8,292,879	6,402,225	77,815,883
Newly originated assets that remained in Stage 1 as at December 31, 2024	32,618,677	–	–	32,618,677
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	1,001,217	926,497	1,927,714
Movements in receivable balance	(23,083,753)	(2,873,348)	(3,675,549)	(29,632,650)
Write-offs	(10,261)	(1,794)	(1,533,092)	(1,545,147)
Transfers from Stage 1	(3,834,127)	2,139,222	1,694,905	–
Transfers from Stage 2	3,175,986	(5,005,592)	1,829,606	–
Transfers from Stage 3	131,201	13,913	(145,114)	–
Balance at end of year	72,118,502	3,566,497	5,499,478	81,184,477
Credit cards				
Balance at beginning of year	44,611,146	7,168,631	2,133,105	53,912,882
Newly originated assets that remained in Stage 1 as at December 31, 2024	64,662,080	–	–	64,662,080
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	1,506,284	934,988	2,441,272
Movements in receivable balance	(40,518,327)	(800,997)	(567,228)	(41,886,552)
Write-offs	(1,924,645)	(1,774,507)	(1,639,796)	(5,338,948)
Transfers from Stage 1	(2,627,763)	1,398,765	1,228,998	–
Transfers from Stage 2	3,865,628	(4,432,641)	567,013	–
Transfers from Stage 3	288,977	15,606	(304,583)	–
Balance at end of year	68,357,096	3,081,141	2,352,497	73,790,734
Mortgage loans				
Balance at beginning of year	16,520,548	2,184,297	1,242,980	19,947,825
Newly originated assets that remained in Stage 1 as at December 31, 2024	2,999,064	–	–	2,999,064
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	39,551	33,351	72,902
Movements in receivable balance	(2,417,796)	(238,339)	(228,180)	(2,884,315)
Write-offs	–	–	–	–

(Forward)



2024				
Gross carrying amount				
	Stage 1	Stage 2	Stage 3	Total
Transfers from Stage 1	(P456,250)	P382,745	P73,505	P-
Transfers from Stage 2	946,928	(1,074,982)	128,054	-
Transfers from Stage 3	153,457	25,703	(179,160)	-
Balance at end of year	17,745,951	1,318,975	1,070,550	20,135,476
Other consumer loans**				
Balance at beginning of year	71,113,653	3,910,234	3,672,541	78,696,428
Newly originated assets that remained in Stage 1 as at December 31, 2024	85,627,133	-	-	85,627,133
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	2,610,917	1,145,849	3,756,766
Movements in receivable balance	(69,546,770)	(3,033,473)	(2,153,630)	(74,733,873)
Write-offs	(564,290)	(192,073)	(649,459)	(1,405,822)
Transfers from Stage 1	(2,348,528)	962,458	1,386,070	-
Transfers from Stage 2	185,081	(708,895)	523,814	-
Transfers from Stage 3	82,871	21,488	(104,359)	-
Balance at end of year	84,549,150	3,570,656	3,820,826	91,940,632
Other receivables***				
Balance at beginning of year	7,306,985	1,201,675	3,153,154	11,661,814
Newly originated assets that remained in Stage 1 as at December 31, 2024	9,385,908	-	-	9,385,908
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	315,121	94,574	409,695
Movements in receivable balance	(3,946,935)	(639,104)	(3,206,652)	(7,792,691)
Write-offs	-	-	(28,776)	(28,776)
Transfers from Stage 1	(296,014)	120,664	175,350	-
Transfers from Stage 2	266,969	(487,406)	220,437	-
Transfers from Stage 3	6,608	372	(6,980)	-
Balance at end of year	12,723,521	511,322	401,107	13,635,950
	P312,475,386	P12,938,368	P15,136,585	P340,550,339

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans and Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

2023				
Gross carrying amount				
	Stage 1	Stage 2	Stage 3	Total
Corporate loans*				
Balance at beginning of year	P30,226,610	P35,545,224	P3,028,676	P68,800,510
Newly originated assets that remained in Stage 1 as at December 31, 2023	35,182,953	-	-	35,182,953
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	3,440,459	165,502	3,605,961
Movements in receivable balance	(16,772,816)	(30,864,176)	(321,081)	(47,958,073)
Write-offs	-	-	-	-
Transfers from Stage 1	(3,004)	2,741	263	-
Transfers from Stage 2	4,205,766	(4,284,684)	78,918	-
Transfers from Stage 3	-	78,630	(78,630)	-
Balance at end of year	52,839,509	3,918,194	2,873,648	59,631,351
Auto loans				
Balance at beginning of year	45,859,274	9,686,640	8,137,870	63,683,784
Newly originated assets that remained in Stage 1 as at December 31, 2023	36,725,878	-	-	36,725,878
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	1,648,556	842,018	2,490,574
Movements in receivable balance	(15,369,254)	(4,609,609)	(3,873,581)	(23,852,444)
Write-offs	-	-	(1,231,909)	(1,231,909)
Transfers from Stage 1	(7,268,585)	6,121,079	1,147,506	-
Transfers from Stage 2	2,891,391	(4,688,914)	1,797,523	-
Transfers from Stage 3	282,075	135,127	(417,202)	-
Balance at end of year	63,120,779	8,292,879	6,402,225	77,815,883
Credit cards				
Balance at beginning of year	33,517,310	5,267,211	2,265,453	41,049,973
Newly originated assets that remained in Stage 1 as at December 31, 2023	8,923,409	-	-	8,923,409
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	471,472	246,962	718,434
Movements in receivable balance	5,660,374	1,156,071	155,779	6,972,224
Write-offs	(577,285)	(1,039,675)	(2,134,198)	(3,751,158)

(Forward)



	2023			
	Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total
Transfers from Stage 1	(P4,513,317)	P3,448,878	P1,064,439	P-
Transfers from Stage 2	1,488,554	(2,143,301)	654,747	-
Transfers from Stage 3	112,102	7,975	(120,077)	-
Balance at end of year	44,611,146	7,168,631	2,133,105	53,912,881
Mortgage loans				
Balance at beginning of year	15,943,147	1,795,345	1,714,389	19,452,881
Newly originated assets that remained in Stage 1 as at December 31, 2023	3,082,742	-	-	3,082,742
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	30,505	20,731	51,236
Movements in receivable balance	(2,054,512)	(278,057)	(306,465)	(2,639,034)
Write-offs	-	-	-	-
Transfers from Stage 1	(1,352,972)	1,282,848	70,125	-
Transfers from Stage 2	584,020	(706,382)	122,362	-
Transfers from Stage 3	318,124	60,038	(378,162)	-
Balance at end of year	16,520,548	2,184,297	1,242,980	19,947,825
Other consumer loans**				
Balance at beginning of year	51,462,976	6,265,761	4,010,822	61,739,559
Newly originated assets that remained in Stage 1 as at December 31, 2023	55,474,967	-	-	55,474,967
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	2,689,483	1,930,439	4,619,922
Movements in receivable balance	(33,981,861)	(4,902,200)	(2,449,205)	(41,333,266)
Write-offs	(191,491)	(88,351)	(1,524,912)	(1,804,754)
Transfers from Stage 1	(1,994,552)	860,385	1,134,167	-
Transfers from Stage 2	282,083	(933,474)	651,391	-
Transfers from Stage 3	61,531	18,630	(80,161)	-
Balance at end of year	71,113,653	3,910,234	3,672,541	78,696,428
Other receivables***				
Balance at beginning of year	7,301,076	1,821,389	2,464,947	11,587,412
Newly originated assets that remained in Stage 1 as at December 31, 2023	3,822,344	-	-	3,822,344
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	457,615	432,308	889,923
Movements in receivable balance	(3,688,598)	(922,567)	8,286	(4,602,879)
Write-offs	-	-	(34,986)	(34,986)
Transfers from Stage 1	(427,837)	352,380	75,457	-
Transfers from Stage 2	292,645	(508,803)	216,158	-
Transfers from Stage 3	7,355	1,661	(9,016)	-
Balance at end of year	7,306,985	1,201,675	3,153,154	11,661,814
	P255,512,620	P26,675,910	P19,477,653	P301,666,183

*Include Corporate loans and emerging enterprise loans

**Include Branch loans, DepEd loans, Employee loans, Salary loans, Personal loans

***Include Accrued interest receivables, Accounts receivables and Sales contract receivables.

Credit risk weighting as of December 31, 2024 and 2023

Total Credit Risk Exposure after Risk Mitigation

The table below shows the different credit risk exposures of EWBC after credit risk mitigation, by risk weight applied in accordance with BSP Circular No. 538:

	Capital Deduction	2024						Total
		0%	20%	50%	75%	100%	150%	
Credit risk exposure after risk mitigation								
On-balance sheet assets	P12,896,069	P65,108,264	P1,763,312	P87,298,086	P5,168,532	P316,770,754	P13,313,498	P489,422,446
Off-balance sheet assets	-	-	-	-	-	2,760,539	-	2,760,539
Counterparty in the banking book (derivatives and repo-style transactions)	-	-	171,739	2,414,932	-	-	2,586,672	5,173,343
	12,896,069	P65,108,264	P1,935,051	P89,713,018	P5,168,532	P319,531,293	P15,900,170	P494,595,789
Credit Risk Weighted Assets	P-	P-	P387,010	P44,856,509	P3,876,399	P319,531,293	P23,850,255	P392,501,466



	2023							Total
	Capital Deduction	0%	20%	50%	75%	100%	150%	
Credit risk exposure after risk mitigation								
On-balance sheet assets	P-	P66,987,927	P3,217,431	P74,056,036	P9,192,168	P273,792,753	P11,808,702	P439,055,017
Off-balance sheet assets	-	-	484,122	3,087,808	-	434,151	-	4,006,081
Counterparty in the banking book (derivatives and repo-style transactions)	-	14,918,358	2,284,109	1,487,099	191,094	55,834	-	18,936,495
	P-	P81,906,285	P5,985,662	P78,630,943	P9,383,262	P274,282,738	P11,808,702	P461,997,593
Credit Risk Weighted Assets	P-	P-	P1,197,133	P39,315,472	P7,037,447	P274,282,738	P17,713,053	P339,545,844

Liquidity Risk

Liquidity risk is the risk that sufficient funds are unavailable to adequately meet all maturing liabilities, including demand deposits and off-balance sheet commitments. The main responsibility of daily asset liability management lies with EWBC's Treasury Group, specifically the Liquidity Desk, which are tasked to manage the balance sheet and have thorough understanding of the risk elements involved in the respective businesses. Only EWBC and EWRB are potentially exposed to liquidity risk exposures, where their liquidity risk management are monitored by their respective ALCOs. Resulting analysis of the balance sheet along with the recommendation is presented during the weekly ALCO meeting where deliberations, formulation of actions and decisions are made to minimize risk and maximize EWBC returns. Discussions include actions taken in the previous ALCO meeting, economic and market status and outlook, liquidity risk, pricing and interest rate structure, limit status and utilization. To ensure both EWBC and EWRB have sufficient liquidity at all times, the respective ALCO formulates a contingency funding plan which sets out the amount and the sources of funds (such as unutilized credit facilities) available to both entities and the circumstances under which such funds will be used.

By way of the Maximum Cumulative Outflow (MCO) limit, EWBC is able to manage its long-term liquidity risks by placing a cap on the outflow of cash on a cumulative basis. EWBC takes a multi-tiered approach to maintaining liquid assets. EWBC's principal source of liquidity is comprised of cash and other cash items (COCI), due from BSP, due from other banks and IBLR with maturities of less than one year. In addition to regulatory reserves, EWBC maintains a sufficient level of secondary reserves in the form of liquid assets such as short-term trading and investment securities that can be realized quickly.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below shows the maturity profile of the financial assets and liabilities of EWBC, based on its internal methodology that manages liquidity based on combined behavioral assumptions and contractual undiscounted cash flows:

	2024						Total
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	
Financial Assets							
Cash and cash equivalents*	P41,471,036	P763,554	P-	P-	P-	P-	P42,234,590
Investments and trading securities**	-	8,528	16,232	25,035	50,621	235,921,842	236,022,258
Loans and receivables***	43,320,011	51,210,348	20,766,233	17,665,595	23,039,016	306,026,031	462,027,234
Contingent assets	-	157,711	-	-	-	404,935	562,646
	P84,791,047	P52,140,141	P20,782,465	P17,690,630	P23,089,637	P542,352,808	P740,846,728



	2024						Total
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	
Financial Liabilities							
Deposit liabilities****	₱311,596,413	₱56,690,497	₱36,674,337	₱13,239,405	₱11,768,169	₱4,532,334	₱434,501,155
Bills and acceptances payable	-	164,162	312,438	481,896	974,383	42,302,624	44,235,503
Lease liability	5,853,895	(873,999)	195,598	273,098	1,726,164	6,426,239	13,600,995
Other liabilities	-	-	-	-	11,773,753	5,103,996	16,877,749
Contingent liabilities*****	-	7,729	9,053	11,553	15,938	-	44,273
	₱317,450,308	₱55,988,389	₱37,191,426	₱14,005,952	₱26,258,407	₱58,365,193	₱509,259,675

*Consists of cash and cash other items, due from BSP, due from other banks and Interbank loans receivables and SPURA

**Consists of financial assets at FVPL, investment securities at amortized cost, financial assets at FVOCI and interest receivables from investment securities at amortized cost

***Consists of loans and receivables, sales contract receivables, bills purchased, accrued interest receivables, accounts receivables, unearned discounts and other assets classified as financial assets

****Consist of demand and savings deposit, time certificate of deposit, long term negotiable certificates of deposit and interest payable for these deposit liabilities

***** Consists of forecasted utilization from credit cards lines, and forecasted utilization from CBG credit lines

	2023						Total
	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	Beyond 1 year	
Financial Assets							
Cash and cash equivalents*	₱28,012,236	₱16,441,418	₱-	₱-	₱-	₱-	₱44,453,654
Investments and trading securities**	-	9,052	13,320	25,911	43,262	173,037,828	173,129,374
Loans and receivables***	35,718,917	41,098,650	16,941,533	15,662,752	19,021,973	281,627,675	410,071,500
Contingent assets	-	78,453	-	-	-	397,405	475,858
	₱63,731,153	₱57,627,573	₱16,954,853	₱15,688,663	₱19,065,235	₱455,062,908	₱628,130,385
Financial Liabilities							
Deposit liabilities****	₱266,002,711	₱39,091,366	₱15,511,122	₱2,356,588	₱1,205,077	₱6,069,224	₱330,236,088
Bills and acceptances payable	-	85,732	140,496	216,698	438,158	15,423,440	16,304,524
Lease liability	4,755,603	105,769	179,063	262,397	633,359	6,811,013	12,747,204
Other liabilities	-	-	-	-	10,723,873	36,017	10,759,890
Contingent liabilities*****	-	8,221	13,402	14,482	19,273	-	55,378
	₱270,758,314	₱39,291,088	₱15,844,083	₱2,850,165	₱13,019,740	₱28,339,694	₱370,103,084

*Consists of cash and cash other items, due from BSP, due from other banks and Interbank loans receivables and SPURA

**Consists of financial assets at FVPL, investment securities at amortized cost, financial assets at FVOCI and interest receivables from investment securities at amortized cost

***Consists of loans and receivables, sales contract receivables, bills purchased, accrued interest receivables, accounts receivables, unearned discounts and other assets classified as financial assets

**** Consist of demand and savings deposit, time certificate of deposit, long term negotiable certificates of deposit and interest payable for these deposit liabilities

***** Consists of forecasted utilization from credit cards lines, and forecasted utilization from CBG credit lines

EWBC manages liquidity by maintaining sufficient liquid assets in the form of cash and cash equivalents, investment securities and loan receivables. As of December 31, 2024 and 2023, ₱154.0 billion (36.83%) and ₱126.5 billion (34.06%), respectively, of EWBC's total gross loans and receivables had remaining maturities of less than 1 year. The total portfolio of trading and investment securities is comprised mostly of sovereign-issued securities that have high market liquidity. With the above presented liquidity profile, EWBC remains to be inhibited from liquidity risk that it cannot adequately manage.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. EWBC treats exposures to market risk as either for trading or accrual/balance sheet exposure. The market risk for the trading portfolio is measured using Value at Risk (VaR). Interest rate risk of accrual portfolios in the Banking Book are measured using Earnings at Risk (EaR).

Market Risk in the Trading Books

The Board has set limits on the level of market risk that may be accepted. VaR limits are applied at the instrument level and approved by the BOD based on, among other things, a business unit's capacity to manage price risks, the size and distribution of the aggregate exposure to price risks and the expected return relative to price risks.



EWBC applies the VaR methodology to assess the market sensitive positions held for trading and to estimate the potential economic loss based on parameters and assumptions. VaR is a method used in measuring market risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon.

Objectives and Limitations of the VaR Methodology

EW uses the VaR model of Bloomberg Portfolio Analytics using one-year historical data set to assess possible changes in the market value of the Fixed Income, Equities, and Foreign Exchange trading portfolio. VaR for the US Treasury Futures is measured using Historical Simulation using an internally developed Excel spreadsheet. The IRS and Foreign Exchange (FX) Forwards (Outright and forward leg of FX Swaps) trading portfolio's interest rate risk is measured using Monte Carlo VaR-using OPICS Risk Plus. The VaR models are designed to measure market risk in a normal market environment. The use of VaR has limitations because correlations and volatilities in market prices are based on historical data and VaR assumes that future price movements will follow a statistical distribution.

Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated.

VaR may also be under or overestimated due to assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, VaR only represents the risk of the portfolio at the close of each business day, and it does not account for any losses that may occur beyond the specified confidence level.

In practice, actual trading results will differ from the VaR calculation and the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR model, actual outcomes are monitored through hypothetical and actual backtesting to test the accuracy of the VaR model.

Stress testing provides a means of complementing VaR by simulating the potential loss impact on market risk positions from extreme market conditions, such as risk factor movements based on historical financial market stress conditions and scenarios adopted from the uniform stress testing framework of the BSP.

VaR Assumptions

The VaR that EWBC uses majority of its trading exposures is at 99.0% confidence level, while FX uses a confidence level of 90.0% with a premise that this potential loss estimate is not expected to be exceeded if the current market risk positions were to be held unchanged for a given holding period. Foreign exchange and US Treasury Futures VaR is measured using one (1) day holding period while fixed income VaR has a holding period of 5 days. Furthermore, EWBC's equity and IRS trading positions are assumed to be closed out in 10 days. The use of a 99.0% confidence level means that within the set time horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days.

VaR is an integral part of EWBC's market risk management and encompasses investment positions held for trading. VaR exposures form part of the market risk monitoring which is reviewed daily against the limit approved by the Board. The trading activities are controlled through the Market Risk Limit (MRL), which is a dynamic risk limit anchored on the principle of risk and return which is adjusted by net trading gains (added in half) or losses (subtracted in whole). RMD reports compliance to the MRL and trader's VaR limits daily. If the MRL or individual trader's limit is exceeded, such



occurrence is promptly reported to the Treasurer, Chief Operating Officer, Chief Risk Officer and the President, and further to the Board through the RMC.

The table below pertains to interest rate risk of EWBC's fixed income trading portfolio.

	2024	2023
	(In Thousands)	
Year-end VaR	₱389,382	₱137,158
Average VaR	360,218	125,374
Highest VaR	550,096	237,091
Lowest VaR	136,660	15,639

The year-end VaR for 2024 was based on EWBC's fixed income trading book valued at ₱5.82 billion with average yields of 6.41% and 7.69% for the peso and foreign currency denominated bonds, respectively. Its average maturities are 12 years for the peso portfolio and 26 years for the foreign currency portfolio.

The year-end VaR for 2023 was based on EWBC's fixed income trading book valued at ₱4.06 billion with average yields of 6.22% and 7.16% for the peso and foreign currency denominated bonds, respectively. Its average maturities are 10 years for the peso portfolio and 26 years for the foreign currency portfolio.

The market risk in EWBC's US Treasury Futures trading positions is shown in the table below:

	2024	2023
Year-end VaR	₱-	₱-
Average VaR	2,969	2,674
Highest VaR	32,249	109,397
Lowest VaR	-	-

Foreign Currency Risk

EW holds foreign currency denominated assets and liabilities, thus, fluctuations on the foreign exchange rate fluctuations can affect the financials and cash flows of EWBC. Managing the foreign exchange exposure is important for banks with exposures in foreign currencies. This includes purchase or sell of foreign currency to control the impact of changes in exchange rates on its financial position.

The table below pertains to foreign exchange risk of EWBC:

	2024	2023
Year-end VaR	₱31,095	₱27,318
Average VaR	24,128	23,885
Highest VaR	63,301	40,369
Lowest VaR	3,816	8,516

EWBC's foreign currency exposures emanate from its net open spot and forward FX purchase and sell transactions, and net foreign currency income accumulated over the years of its operations. Foreign currency-denominated deposits are generally used to fund EWBC's foreign currency-denominated loan and investment portfolio in the FCDU.



In the FCDU books, BSP requires banks to match the foreign currency assets with the foreign currency liabilities. Thus, banks are required to maintain at all times a 100.0% cover for their currency liabilities held through FCDU.

Total foreign currency position is monitored through the daily BSP FX position reports, which are subject to the overbought and oversold limits set by the BSP at 25.00% of qualifying capital or US\$150.00 million, whichever is lower.

The tables below summarize the exposure to foreign currencies of EWBC as of December 31, 2024 and 2023:

	2024					Total
	USD	CNY	HKD	JPY	Other Currencies*	
Assets						
Gross FX assets	\$1,760,574	\$15,615	\$453	\$10,524	\$102,480	\$1,889,646
Contingent FX assets	188,424	13,969	–	–	70,410	272,803
	1,948,998	29,584	453	10,524	172,890	2,162,449
Liabilities						
Gross FX liabilities	1,776,756	22,393	1,066	10,757	99,642	1,910,614
Contingent FX liabilities	207,778	9,566	1,030	1,300	72,730	292,404
	1,984,534	31,959	2,096	12,057	172,372	2,203,019
Net exposure	(\$35,537)	(\$2,376)	(\$1,643)	(\$1,533)	\$518	(\$40,571)

*Other currencies include GBP, CAD, EUR, AUD, NZD and SGD.

	2023					Total
	USD	CNY	HKD	JPY	Other Currencies*	
Assets						
Gross FX assets	\$1,421,604	\$3,225	\$2,173	\$17,117	\$84,396	\$1,528,515
Contingent FX assets	121,750	24,853	–	532	11,653	\$ 158,789
	1,543,354	28,078	2,173	17,649	96,049	1,687,303
Liabilities						
Gross FX liabilities	1,336,366	26,606	3,025	16,239	40,319	\$ 1,422,555
Contingent FX liabilities	299,769	96	222	409	56,386	\$ 356,882
	1,636,135	26,702	3,247	16,648	96,705	1,779,438
Net exposure	(\$92,781)	\$ 1,376	(\$1,074)	\$1,000	(\$656)	(\$92,134)

*Other currencies include GBP, HKD, AUD, CNY and NZD

EWBC's positions in other currencies are not individually significant.

The tables below indicate the sensitivity of the currencies which EWBC had significant exposures as of December 31, 2024 and 2023:

Foreign currency appreciates (depreciates)	2024			
	USD	CNY	HKD	JPY
+10.00%	(¥205,563)	(¥13,743)	(¥9,503)	(¥8,871)
-10.00%	205,563	13,743	9,503	8,871
Foreign currency appreciates (depreciates)	2023			
	USD	CNY	HKD	JPY
+10.00%	(¥513,727)	¥7,618	(¥5,945)	¥5,539
-10.00%	513,727	(7,618)	5,945	(5,539)



The analysis calculates the effect of a reasonably possible movement of the foreign currency rate against Peso, with all other variables held constant on the statement of income. A negative amount reflects a potential net reduction in statement of income while a positive amount reflects a net potential increase. The EWBC manages FX exposures that both impact the statements of income and equity.

Market Risk in the Banking Book

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is inherent in EWBC's traditional banking activities that include taking deposits to invest or grant loans. The future cash flows from these activities are exposed to variations in interest rates, largely from mismatch in tenors and prices, IRRBB is measured with Earnings-at-Risk (EaR) which is a measure of the net interest income movement due to changes in prevailing interest rates and the balance sheet re-pricing profile of EWBC. The EaR limit is set as a function of EWBC's net interest margin (NIM). The EaR limit preserves EWBC's capital and competitive position by restricting the impact of interest rate sensitivities to NIM within the corridor of above average and within the first quartile of its peer banks. In measuring EaR, EWBC's interest re-pricing assets and liabilities are matched by re-pricing (or maturity if non-repricing) buckets covering tenors within a one-year horizon, and corresponding gaps determined. If positive gap is noted, it implies that an increase in interest rates will positively affect the net interest income. Conversely, a negative gap implies that an increase in interest rates will negatively affect the net interest income. The estimated nominal impact to the Bank's earnings is derived by multiplying the volatility of benchmark yields for each tenor bucket to the repricing gap profile. The result is compared vs EaR limit to monitor the compliance with the limit and is reported to the RMC on a monthly basis. Additionally, EaR limit is reviewed and updated annually to ensure its continued relevance and alignment with EWBC's financial targets, strategies, and overall risk appetite.

To complement EaR and provide Management a more holistic view, EWBC performs forward looking scenario and sensitivity analysis as well as stress testing activities to identify any vulnerabilities.

EWBC employs 3 methodologies in the conduct of stress testing a) economic/historical stress test which assumes a parallel shift in interest yield curves of 660.0 basis points for PhP-denominated assets and liabilities and 270.0 basis points for USD-denominated, b) uniform stress test, a regulatory-prescribed stress test, has 3 scenarios with assumed parallel shift in interest rates for both PhP (from 300.0 bps to 500.0 bps) and USD (from 100.0 bps to 300.0 bps), c) reverse stress test, which primarily measures the highest swing in interest rates that can potentially wipe out EWBC targeted net income and net interest income.

EW employs the Value-at-Risk (VaR) measurement for debt instruments categorized as fair value through other comprehensive income (FVOCI) to manage the potential threat of market fluctuations to its earnings and capital. Fixed income instruments at FVOCI are assets whose objective falls under both to collect contractual cash flows and/or sell the assets. Since fair value changes from items booked at FVOCI directly impact the equity, it is prudent to monitor and manage said risk where capital stability is sustained. The VaR assumptions and methodologies for FVOCI exposures are same as those used for the Trading Book. Similar to the Trading Book, EWBC has a MAT to control actual losses (composed of realized and unrealized losses) for its Banking Book.



The following tables provide for the average interest rates by period of re-pricing (or by period of maturity if there is no re-pricing) of EWBC as of December 31, 2024 and 2023:

	2024				
	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>12 months
RBU					
<i>Financial assets:</i>					
Cash and cash equivalents*	7.66%	–	–	–	–
Investment securities**	–	5.13%	4.85%	5.63%	5.04%
Loans and receivables	7.13%	7.86%	8.59%	7.64%	12.16%
<i>Financial liabilities:</i>					
Deposit liabilities	5.11%	5.18%	4.91%	4.15%	4.29%
Bills payable	6.15%	–	–	–	–
Bonds payable	–	–	–	–	–
Subordinated debt	–	–	–	–	–
FCDU					
<i>Financial assets:</i>					
Cash and cash equivalents*	2.60%	–	–	–	–
Investment securities**	0.40%	–	–	–	4.82%
Loans and receivables	6.72%	5.46%	5.32%	1.00%	–
<i>Financial liabilities:</i>					
Deposit liabilities	4.14%	3.94%	3.64%	2.74%	3.21%
Bills payable	1.01%	1.30%	–	–	–

*Pertain to Due from BSP, Due from other banks, Interbank loans receivables and SPURA

**Pertain to financial assets at FVPL, financial assets at FVOCI and investment securities at amortized cost

	2023				
	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>12 months
RBU					
<i>Financial assets:</i>					
Cash and cash equivalents*	6.27%	–	–	–	–
Investment securities**	–	5.13%	4.88%	4.85%	4.95%
Loans and receivables	7.24%	7.86%	8.36%	12.47%	11.48%
<i>Financial liabilities:</i>					
Deposit liabilities	4.79%	4.42%	3.71%	3.58%	3.97%
Bills payable	–	–	–	–	–
Bonds payable	–	–	–	–	–
Subordinated debt	–	–	–	–	–
FCDU					
<i>Financial assets:</i>					
Cash and cash equivalents*	3.40%	–	–	–	–
Investment securities**	0.50%	–	4.88%	–	4.69%
Loans and receivables	4.97%	6.56%	7.28%	–	–
<i>Financial liabilities:</i>					
Deposit liabilities	4.24%	3.98%	3.91%	3.41%	2.70%
Bills payable	5.62%	5.76%	–	–	–

*Pertain to Due from BSP, Due from other banks, IBLR

**Pertain to financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost

The following tables provide for the interest rate re-pricing gap of EWBC as of December 31, 2024 and 2023:

	2024					Total
	Up to 1 month	> 1 to 3 months	> 3 to 6 months	>6 to 12 months	>12 months	
Financial assets						
Cash and cash equivalents	₱7,013,554	₱–	₱–	₱–	₱–	₱7,013,554
Investment securities	4,830,404	5,569,485	824,006	1,665,225	98,027,064	110,916,184
Loans and receivables	26,711,397	22,938,042	18,388,301	26,341,170	149,909,224	244,288,134
Contingent assets *	–	–	–	–	–	–
Total financial assets	38,555,355	28,507,527	19,212,307	28,006,395	247,936,288	362,217,872
Financial liabilities						
Deposit liabilities	73,726,880	30,867,697	5,664,978	6,797,796	218,844	117,276,194
Bills and acceptances payable	34,833,199	3,161,135	2,071,792	–	–	40,066,126
Contingent liabilities **	16,360	4,353	–	–	–	20,714
Total financial liabilities	108,576,439	34,033,185	7,736,770	6,797,796	218,844	157,363,034
Asset-liability gap	(₱70,021,085)	(₱5,525,658)	₱11,475,537	₱21,208,599	₱247,717,443	₱204,854,838

* Consist of Foreign Currency Swap and Forward Exchange

**Consist of Foreign Currency Swap and Forward Exchange



	2023					Total
	Up to 1 month	> 1 to 3 months	> 3 to 6 months	>6 to 12 months	>12 months	
Financial assets						
Cash and cash equivalents	₱23,441,418	₱-	₱-	₱-	₱-	₱23,441,418
Investment securities	3,726,053	420,946	1,242,592	204,924	88,278,564	93,873,079
Loans and receivables	25,979,730	19,028,841	16,043,044	24,440,951	131,550,191	217,042,757
Contingent assets *	85,236	-	-	-	-	85,236
Total financial assets	53,232,437	19,449,787	17,285,636	24,645,875	219,828,755	334,442,490
Financial liabilities						
Deposit liabilities	103,959,463	18,970,205	2,190,854	80,195,307	5,927,246	211,243,075
Bills and acceptances payable	12,766,190	2,625,604	-	-	-	15,391,794
Contingent liabilities **	-	2,514	-	-	-	2,514
Total financial liabilities	116,725,653	21,598,323	2,190,854	80,195,307	5,927,246	226,637,383
Asset-liability gap	(₱63,493,216)	(₱2,148,536)	₱15,094,782	(₱55,549,432)	₱213,901,509	₱107,805,108

* Consist of Foreign Currency Swap and Forward Exchange

** Consist of Foreign Currency Swap and Forward Exchange

EWBC also monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to EWBC's interest income and interest expenses of different parallel changes in the interest rate curve, assuming the parallel change only occurs once and the interest rate curve after the parallel change does not change again for the next 12 months.

The following table sets forth, for the period indicated, the impact of changes in interest rates on EWBC's non-trading net interest income. There is no other impact on EWBC's equity other than those already affecting the statements of income.

Change in basis points	2024	2023
+100.00 bps	(₱592,339)	(₱670,912)
-100.00 bps	592,339	670,912

Change in Economic Value of Equity (Δ EVE)

EWBC employs change in EVE Model to measure the net present value (NPV) or prevailing value of the Bank's balance sheet cash flows at different interest rate shocks and stress scenarios. Δ EVE is calculated by deducting the Base EVE which is the NPV of the Bank's balance sheet cashflows using the effective yield per contract from Shock EVE which is calculated using the BSP prescribed parallel shift in interest rates and the existing economic stress scenario as well as scenarios internally developed by EWBC.

EWBC's Δ EVE stood at ₱2 billion or 3% of CET1as of December 31, 2024. Scenarios 2, 3, 4, and 6 resulted to positive shift in EVE while scenarios 1 and 5 resulted to decline in EVE with the largest impact occurring under Scenario 5, equivalent to around 27% of CET1. While the scenario highlights potential vulnerabilities, prevailing market conditions and interest rate projections do not indicate an imminent risk. On the contrary, the market is expecting rate cuts in the near-term albeit at slower pace than the forecasted. This anticipated easing of rates is expected to have a favorable impact on the EWBC's EVE.

Operational Risk

Operational risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal, compliance and reputational risks but excludes strategic risk.



Adopting the Basic Indicator Approach below, where computation is based on a percentage (in accordance with BSP-prescribed capital charge) of the average gross income for the past three years, it shows the total operational risk-weighted assets of EWBC (in thousands).

	2024	2023
EWBC	₱63,641	₱61,761

Other Risk Exposures

EWBC risk exposures other than credit, market, operational, and interest rate risk in the banking book, while existent, are deemed insignificant relative to the mentioned risks and if taken in isolation. Hence, management of these risks are instead collectively performed and made an integral part of EWBC's internal capital adequacy assessment process (ICAAP) and enterprise risk management initiatives.

Banking and Financial Services Capital Management

EWBC actively manages its capital to comply with regulatory requirements, enable growth targets, withstand plausible stress events and be at par with EWBC peers. The primary objective of EWBC's capital management is to ensure that it maintains adequate capital to cover risks inherent to its banking activities without prejudice to optimizing shareholders' value.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of EWBC's compliance with regulatory requirements and ratios is based on the amount of EWBC's 'unimpaired capital' (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies. In addition, the risk-based Capital Adequacy Ratio (CAR) of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.0% for both solo basis (head office and branches) and consolidated basis (EW and subsidiaries engaged in financial allied undertakings). Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Effective January 1, 2014, EW complied with BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.0% and Tier 1 capital ratio of 7.5%. It also introduces a capital conservation buffer of 2.5% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.0% and these ratios shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital. Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital only until December 31, 2015. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On June 27, 2014, the BSP issued Circular No. 839, *REST Limit for Real Estate Exposures* which provides the implementing guidelines on the prudential REST limit for universal, commercial, and thrift banks on their aggregate real estate exposures. EW should maintain CET1 and CAR levels at the regulatory prescribed minimums, on a solo and consolidated basis, even after the simulated results of a 25.0% write-off to EWBC's real estate exposures. These shall be complied with at all times.



The capital-to-risk assets ratio reported to the BSP as of December 31, 2024 and 2023 are shown in the table below:

	2024	2023
CET1 capital ratio	12.66%	13.04%
Tier 1 capital ratio	12.66%	13.04%
Total capital ratio	13.44%	13.84%

The composition of the qualifying capital of EWBC is shown below:

	2024	2023
	(In Millions)	
Qualifying capital		
Tier 1 capital	₱71,701	₱65,990
CET1 capital	71,701	65,990
Less: Required deductions	12,896	12,384
Net Tier 1 capital	58,805	53,606
Tier 2 capital	3,625	3,296
Total qualifying capital	₱62,430	₱56,902

The capital requirements of EWBC as of December 31, 2024 and 2023 are shown below:

	2024	2023
	(In Millions)	
Capital requirements:		
Credit risk	₱390,114	₱339,496
Market risk	10,619	9,839
Operational risk	63,641	61,760
Total capital requirements	₱464,374	₱411,095

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations.

Under Basel III, the regulatory Gross Qualifying Capital of EW consists of Tier 1 (core) and Tier 2 (supplementary) capital. Tier 1 comprises share capital, surplus (including current year profit), and other comprehensive income (cumulative foreign currency translation and net unrealized gains on financial assets at FVOCI). Required deductions include goodwill, intangible assets, investments in equity, deferred tax assets, defined benefit pension assets and unsecured credit accommodations to DOSRI and subsidiaries.

Tier 2 capital comprise of unsecured subordinated debts and general loan loss provision.

Risk-weighted assets are determined by assigning defined risk weights to the statement of financial position exposure and to the credit equivalent amounts of off-balance sheet exposures. Certain items are deducted from risk-weighted assets, such as the excess of general loan loss provision over the amount permitted to be included in Tier 2 capital. The risk weights vary from 0.0% to 150.0% depending on the type of exposure, with the risk weights of off-balance sheet exposures being subjected further to credit conversion factors.



Below is a summary of risk weights and selected exposure types:

Risk weight	Exposure/Asset type*
0.0%	Cash on hand; claims collateralized by securities issued by the national government, BSP; loans covered by the Trade and Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20.0%	Cash and other cash items, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50.0%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75.0%	Direct loans of defined Small Medium Enterprise (SME) and microfinance loans portfolio; non-performing housing loans fully secured by first mortgage
100.0%	All other assets (e.g., real estate assets) excluding those deducted from capital (e.g., deferred income tax)
150.0%	All non-performing loans (except non-performing housing loans fully secured by first mortgage) and all non-performing debt securities

* Not all inclusive

With respect to off-balance sheet exposures, the exposure amount is multiplied by a credit conversion factor (CCF), ranging from 0.0% to 100.0%, to arrive at the credit equivalent amount, before the risk weight factor is multiplied to arrive at the risk-weighted exposure. Direct credit substitutes (e.g., guarantees) have a CCF of 100.0%, while items not involving credit risk has a CCF of 0.0%.

In the case of derivatives, the credit equivalent amount (against which the risk weight factor is multiplied to arrive at the risk-weighted exposure) is generally the sum of the current credit exposure or replacement cost (the positive fair value or zero if the fair value is negative or zero) and an estimate of the potential future credit exposure or add-on. The add-on ranges from 0.0% to 1.5% (interest rate-related) and from 1.0% to 7.5% (exchange rate-related), depending on the residual maturity of the contract. For credit-linked notes and similar instruments, the risk-weighted exposure is the higher of the exposure based on the risk weight of the issuer's collateral or the reference entity or entities.

The risk-weighted CAR is calculated by dividing the sum of its Tier 1 and Tier 2 capital, as defined under BSP regulations, by its risk-weighted assets. The risk-weighted assets, as defined by the BSP regulations, consist of all of the assets on the balance sheet at their respective book values, together with certain other off-balance sheet items, weighted by certain percentages depending on the risks associated with the type of assets.

The determination of compliance with regulatory requirements and ratios is based on the amount of EWBC's 'unimpaired capital' (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting practices which differ from PFRS in some respects.

EW has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.



The Group (Excluding EWBC)

Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. The Group's policy is to manage its interest cost using a mix of fixed and floating interest-rate debts. The Group regularly monitors available loans in the market which is of cheaper interest rate and substitutes high-rate debts of the Group.

The Group's long-term debt with floating interest rate usually mature after three (3) months to five (5) years from the date of availment.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax and equity (through the impact on floating rate borrowings). There is no other impact on the Group's OCI other than those already affecting the profit and loss.

	Increase (Decrease) in Bps	Effect on Income Before Income Tax (In Thousands)
2024	+200	(₱200,968)
	-200	200,968
2023	+200	(173,361)
	-200	(73,361)

The following table sets out the carrying amount by maturity of the Group's long-term debts that are exposed to interest rate risk:

	91-Day Treasury Bills plus 1% to 2% margin					Total
	Below 1 Year	1 to 2 Years	>2 to 3 Years	>3 to 4 Years	Over 4 Years	
As of December 31, 2024	₱200,000	₱-	₱1,160,000	₱50,100	₱8,875,000	₱10,285,100
As of December 31, 2023	4,731,667	3,000,000	-	1,160,000	50,100	8,941,767

Liquidity risk

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group uses internally generated funds and available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses.



The following table summarizes the maturity profile of the Group's financial assets and contract assets held to manage liquidity as of December 31, 2024 and 2023 based on contractual undiscounted payments:

	December 31, 2024						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	
	(In Thousands)						
Financial assets at amortized cost							
Real Estate Operations							
Cash and cash equivalents	₱4,112,151	₱1,640,076	₱-	₱-	₱-	₱-	₱5,752,227
Contracts receivable	4,717,975	-	-	-	-	-	4,717,975
Receivable from tenants	2,784,809	-	-	-	-	-	2,784,809
Receivable from HOA	115,837	-	-	-	-	-	115,837
Receivable from government and other financial institutions	557,958	-	-	-	-	-	557,958
Receivable from buyers	442,412	-	-	-	-	-	442,412
Due from related parties	6,496	-	-	-	-	-	6,496
Others	2,759,398	-	-	-	-	-	2,759,398
	15,497,036	1,640,076	-	-	-	-	17,137,112
Hospitality Operations							
Cash in banks	650,909	778,145	-	-	-	-	1,429,054
Trade receivables	295,761	-	-	-	-	-	295,761
Others	100,376	-	-	-	-	-	100,376
	1,047,046	778,145	-	-	-	-	1,825,191
Power Operations							
Cash in banks	4,035,192	520,358	-	-	-	-	4,555,550
Trade receivables	4,746,371	-	-	-	-	-	4,746,371
Due from related parties	51	-	-	-	-	-	51
Others	42,661	-	-	-	-	-	42,661
	8,824,275	520,358	-	-	-	-	9,344,633
Sugar Operations							
Cash in banks	615,334	-	-	-	-	-	615,334
Trade receivables	37,131	-	-	-	-	-	37,131
Others	116,577	-	-	-	-	-	116,577
	769,042	-	-	-	-	-	769,042
Other Operations							
Cash and cash equivalents	2,341,978	9,246,204	-	-	-	-	11,588,182
Financial Assets at FVOCI							
Investment in shares of stocks:							
Quoted	-	-	-	946,710	-	-	946,710
Unquoted	-	-	-	47,060	-	-	47,060
	-	-	-	993,770	-	-	993,770
Total financial assets	28,479,377	12,184,783	-	993,770	-	-	41,657,930
Contract assets	-	1,446,495	4,339,484	1,846,887	463,962	339,786	8,436,614
	₱28,479,377	₱ 13,631,278	₱4,339,484	₱2,840,657	₱463,962	₱339,786	₱50,094,544

	December 31, 2023						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	
	(In Thousands)						
Financial assets at amortized cost							
Real Estate Operations							
Cash and cash equivalents	₱5,439,419	₱1,388,105	₱-	₱-	₱-	₱-	₱6,827,524
Contracts receivable	2,239,868	-	-	-	-	-	2,239,868
Receivable from tenants	2,495,211	-	-	-	-	-	2,495,211
Receivable from HOA	168,525	-	-	-	-	-	168,525
Receivable from government and other financial institutions	566,778	-	-	-	-	-	566,778
Receivable from buyers	862,358	-	-	-	-	-	862,358
Due from related parties	24,032	-	-	-	-	-	24,032
Others	828,384	-	-	-	-	-	828,384
	12,624,575	1,388,105	-	-	-	-	14,012,680
Hospitality Operations							
Cash in banks	544,652	856,748	-	-	-	-	1,401,400
Trade receivables	145,729	-	-	-	-	-	145,729
Others	94,743	-	-	-	-	-	94,743
	785,124	856,748	-	-	-	-	1,641,872
Power Operations							
Cash in banks	2,881,802	282,980	-	-	-	-	3,164,782
Trade receivables	-	5,230,296	-	-	-	-	5,230,296
Due from related parties	10,380	-	-	-	-	-	10,380
Others	10,811	-	-	-	-	-	10,811
	2,902,993	5,513,276	-	-	-	-	8,416,269
Sugar Operations							
Cash in banks	784,823	-	-	-	-	-	784,823
Trade receivables	31,999	-	-	-	-	-	31,999
Others	-	-	-	-	-	-	-
	816,822	-	-	-	-	-	816,822

(Forward)



December 31, 2023							
	On demand	Less than 3 months	3 months to 1 year	> 1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Other Operations							
Cash and cash equivalents	₱ 309,186	₱ 9,774,948	₱-	₱-	₱-	₱-	₱10,084,134
Financial Assets at FVOCI							
Investment in shares of stocks:							
Quoted	-	1,056,182	-	-	-	-	1,056,182
Unquoted	-	36,350	-	-	-	-	36,350
	-	1,092,532	-	-	-	-	1,092,532
Total financial assets	17,438,700	18,625,609	-	-	-	-	36,064,309
Contract assets	-	1,186,457	3,559,370	991,671	440,571	3,605,700	9,783,769
	₱17,438,700	₱19,812,066	₱3,559,370	₱991,671	₱440,571	₱3,605,700	₱45,848,078

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted payments.

December 31, 2024							
	On demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Accounts payable, accrued expenses and other liabilities							
Accounts payable	₱5,321,400	₱4,596,309	₱6,974,283	₱4,417,816	₱3,665,453	₱-	₱ 24,975,261
Deposits from tenants	-	50,824	3,591,095	1,805,809	-	-	5,447,728
Retention fees payable	788,500	1,232,754	784,391	172,293	193,823	522,987	3,694,748
Accrued expenses	7,596,106	1,831,460	-	600,073	-	-	10,027,639
Accrued interest	1,456,050	527,316	-	-	-	-	1,983,366
Due to related parties	322,906	-	-	-	-	-	322,906
Deposits for registration	-	580	239,146	878,104	345,866	507,737	1,971,433
Asset retirement obligation	-	-	-	-	-	803,681	803,681
	15,484,962	8,239,243	11,588,915	7,874,095	4,205,142	1,834,405	49,226,762
Long-term and short-term debt	-	16,423,259	24,920,345	60,874,841	34,886,973	225,822	137,331,240
	₱15,484,962	₱24,662,502	₱ 36,509,260	₱68,748,936	₱ 39,092,115	₱2,060,227	₱186,558,002

December 31, 2023							
	On demand	Less than 3 months	3 months to 1 year	>1 year to 3 years	>3 years to 5 years	Over 5 years	Total
(In Thousands)							
Accounts payable, accrued expenses and other liabilities							
Accounts payable	₱3,706,433	₱3,201,396	₱4,857,690	₱2,742,342	₱2,275,316	₱-	₱16,783,177
Deposits from tenants	-	63,344	4,475,711	1,645,028	-	-	6,184,083
Retention fees payable	717,091	1,121,112	713,354	106,294	119,577	322,650	3,100,078
Accrued expenses	7,692,245	1,854,639	-	-	-	-	9,546,884
Accrued interest	1,316,902	476,923	-	-	-	-	1,793,825
Due to related parties	856,199	-	-	-	-	-	856,199
Deposits for registration	-	5,845	2,408,160	797,880	314,268	461,350	3,987,503
Asset retirement obligation	-	-	-	-	-	753,895	753,895
	14,288,870	6,723,259	12,454,915	5,291,544	2,709,161	1,537,895	43,005,644
Long-term and short-term debt	-	17,458,465	26,491,148	64,711,962	37,086,001	240,056	145,987,633
	₱14,288,870	₱24,181,724	₱38,946,063	₱70,003,506	₱39,795,162	₱1,777,951	₱188,993,277

Credit risk

It is the Group's policy that buyers who wish to avail the in-house financing scheme are subject to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk.

The credit risk on installment contract receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2024 and 2023. For accounts receivable from tenants, the exposure is mitigated to the extent of the security deposit.



With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at amortized costs, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the comparative summary of maximum credit risk exposure on assets as of December 31:

	2024	2023
	(In Thousands)	
Loans and Receivables		
Real Estate Operations		
Cash and cash equivalents	₱5,752,227	₱6,827,524
Contracts receivable	4,717,975	2,239,868
Receivable from tenants	2,784,809	2,495,211
Receivable from buyers	442,412	168,525
Receivable from government and other financial institutions	557,958	566,778
Receivables from HOA	115,837	862,358
Due from related parties	6,496	24,032
Others	2,759,398	828,384
	17,137,112	14,012,680
Hospitality Operations		
Cash and cash equivalents	1,429,054	1,401,400
Trade receivables	295,761	145,729
Others	100,376	94,743
	1,825,191	1,641,872
Power and Utility Operations		
Cash and cash equivalents	4,555,550	268,016
Trade receivables	4,746,371	4,021,712
Due from related parties	51	95
	9,301,972	4,289,823
Sugar Operations		
Cash	615,334	10,905
Trade receivables	37,131	3,389
	652,465	14,294
Other Operations		
Cash and cash equivalents	11,588,182	10,084,134
Financial assets at FVOCI		
Quoted equity securities	946,710	906,182
Unquoted equity securities	47,060	36,350
	993,770	942,532
	₱41,498,692	₱30,985,335



	2023							Subtotal	Impaired	Total
	Neither past due nor impaired	Past due but not impaired					Over 120 days			
		Less than 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days				
Cash and cash equivalents	₱6,827,524	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱6,827,524	
Contract assets	9,867,642	-	-	-	-	-	-	-	9,867,642	
Loans and receivables										
Contracts receivable	2,239,868	-	-	-	-	-	-	-	2,239,868	
Receivables from tenants	2,495,211	-	-	-	-	-	-	-	2,495,211	
Receivables from homeowners' association	168,525	-	-	-	-	-	-	-	168,525	
Receivable from government and other financial institutions	566,778	-	-	-	-	-	-	-	566,778	
Receivables from buyers	862,358	-	-	-	-	-	-	-	862,358	
Due from related parties	24,032	-	-	-	-	-	-	-	24,032	
Others	828,384	-	-	-	-	-	-	-	828,384	
	₱23,880,322	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱23,880,322	

The Group's high-grade receivables pertain to receivables from related parties and third parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Group has not noted any extraordinary exposure which calls for a substandard grade classification.

For Power and utility operations, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than 90 days and are not subject to enforcement activity. The resulting allowance for ECL of ₱629.8 million and ₱389.5 million as of December 31, 2024 and 2023, respectively, pertains to receivables aged over 90 days.

Real Estate Operation Capital Management

Real estate operation's primary objective is to maintain its current sound financial condition and strong debt service capabilities as well as to continuously implement a prudent financial management program.

Real estate operation manage their capital structure and makes adjustments to it, in light of changes in economic conditions. It closely monitors its capital and cash positions and carefully manages its capital expenditures such as land acquisitions, constructions and project developments and fixed charges. Real estate operation prefers to enter into joint venture arrangements with landowners to develop land rather than purchasing land outright, which reduces its capital requirements and can increase returns. Furthermore, real estate operation may also, from time to time, seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

Real estate operation continues to fund its project developments using medium to long-term financing, which can help mitigate any negative effects of a sudden downturn in the Philippine economy or a sudden rise in interest rates.

Refer to Notes 5 and 24 for the discussion on externally imposed capital requirements on the Group's Real Estate operations.

Hospitality Operations Capital Management

Hospitality operation's primary objective is to improve the profitability and continuously implement a prudent financial management program. Capital and cash positions are closely monitored and expenditures and disbursements are carefully managed. Hospitality operation considers total equity as capital.



Power and Utility Operation

Power operation's primary objective is to effectively manage its cash flow position. Cash flows are managed by ensuring that billings are prepared and delivered promptly and by working closely with electric cooperatives to ensure timely collection of receivables.

Sugar Operation Capital Management

Sugar operation manages its capital structure and makes adjustments to it in light of changes in economic conditions. It closely monitors its capital and cash positions and carefully manages its expenditures and disbursements. Furthermore, sugar operation also, from time to time seeks other sources of funding, which may include internal or external borrowings depending on its financing needs and market conditions.

Sugar operation monitors capital using a gearing ratio which is total debt divided by total equity. Debt includes accounts payable, accrued expenses and other liabilities, income tax payable, due to related parties, short-term and long-term debt. The policy is to keep the gearing ratio not to exceed 2.0:1.0.

Derivative Financial Instruments

The Group's freestanding derivative financial instruments, which mainly consist of foreign currency forward contracts and swaps, and interest rate swaps, are transactions not designated as hedges.

The table below sets out information about the Group's derivative financial instruments and the related fair value as of December 31, 2024 and 2023:

<i>Foreign Currency Forward Contracts and Swaps</i>	2024	2023
	(In Thousands)	
Notional amount	\$580,255	\$410,853
Derivative assets (Note 20)	82,739	21,812
Derivative liabilities (Note 23)	58,832	103,083
<i>Interest Rate Swaps</i>	2024	2023
Notional amount	\$200,000	\$-
Derivative assets	393	-
Derivative liabilities	398	-

Fair value changes of foreign currency forwards and swaps are recognized as 'foreign exchange gain' in the consolidated statements of income while fair value changes of interest rate swaps and futures are recognized as part of 'trading and securities gain (loss)' in the consolidated statements of income.

The net movements in fair value changes of all derivative instruments are as follows:

	2024	2023
Derivative liabilities - net at beginning of year	(P81,271)	(P89,085)
Fair value of settled instruments	105,175	7,814
Derivative assets (liabilities) - net at end of year	P23,904	(P81,271)

Fair value changes of foreign currency forwards and swaps (not designated as accounting hedge) are recognized as Foreign exchange gain while fair value changes of interest rate swaps are recognized as Trading and securities gain as part of Other income from the financial banking and services.



38. Offsetting of Financial Assets and Financial Liabilities

The Group is required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments subject to enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

Financial Assets

December 31, 2024						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
(In Thousands)						
SPURA	P-	P-	P-	P-	P-	P-
Derivative assets (Note 20)	83,133	-	83,133	-	-	83,133
	P83,133	P-	P83,133	P-	P-	P83,133

December 31, 2023						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
(In Thousands)						
SPURA	P15,976,310	P-	P15,976,310	P-	P15,976,310	P-
Derivative assets (Note 20)	21,812	-	21,812	(1)	-	21,812
	P15,998,122	P-	P15,998,122	(P1)	P15,976,310	P21,812

Financial Liabilities

December 31, 2024						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
(In Thousands)						
Derivative liabilities (Note 23)	P-	P-	P-	P-	P-	P-
Bills payable	40,117,180	-	40,117,180	-	-	40,117,180
Total	P40,117,180	P-	P40,117,180	P-	P-	P40,117,180

December 31, 2023						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in the consolidated statement of financial position [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d] [e]
				Financial instruments [d]	Fair value of financial collateral	
(In Thousands)						
Derivative liabilities (Note 23)	P103,083	P-	P103,083	P-	P-	P103,083
Bills payable	14,663,679	-	14,663,679	-	-	14,663,679
	P14,766,762	P-	P14,766,762	P-	P-	P14,766,762



The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. This includes amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

39. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities for the years ended December 31 follows:

	2024				
	January 1	Cashflows	Foreign Exchange Movement	Noncash Movement	December 31
	(In Thousands)				
Long-term and short-term debt	₱132,371,944	₱4,373,929	₱718,000	(₱132,633)	₱137,331,240
Bills and acceptance payable	15,403,706	24,713,474	–	–	40,117,180
Lease liabilities	8,454,337	(1,739,243)	–	2,327,472	9,042,566
Accrued interest	1,793,825	(8,329,002)	–	8,518,543	1,983,366
Dividends payable	–	(2,217,872)	–	2,217,872	–
Due to related parties	856,199	(533,293)	–	–	322,906
	₱158,880,011	₱16,267,993	₱718,000	₱12,931,254	₱188,797,258
	2023				
	January 1	Cashflows	Foreign Exchange Movement	Noncash Movement	December 31
	(In Thousands)				
Long-term and short-term debt	₱137,224,888	(₱5,379,278)	(₱55,000)	₱581,334	₱132,371,944
Bills and acceptance payable	6,761,456	8,444,195	–	198,055	15,403,706
Lease liabilities	8,507,757	(1,438,713)	–	1,385,293	8,454,337
Accrued interest	1,712,390	(7,546,485)	–	7,627,920	1,793,825
Dividends payable	–	(1,736,047)	–	1,736,047	–
Due to related parties	44,903	18,476	–	–	63,379
	₱154,251,394	(₱7,637,852)	(₱55,000)	₱11,528,649	₱158,087,191

Noncash movements include the effects of declaration of dividends, amortization of debt issuance costs and accretion of lease liabilities (see Notes 24, 25 and 32).

The Group's noncash transactions affecting investing activities are as follows:

- Transfers from loans and receivables to investment properties as a result of foreclosures amounted to ₱273.9 million, ₱274.5 million and ₱101.4 million in 2024, 2023 and 2022, respectively, for EWBC (see Note 16).
- Transfers from loans and receivables to other repossessed assets as a result of foreclosures amounted to ₱6.3 billion, ₱4.0 billion and ₱4.6 billion in 2024, 2023 and 2022 respectively, for EWBC. Amounts mentioned are exclusive of loss on asset foreclosure and *dacion* transactions amounting to ₱1.2 billion, ₱614.5 million and ₱9.5 million in 2024, 2023 and 2022, respectively.
- Land and land developments previously under real estate inventories were reclassified to investment properties amounting to ₱1,589.8 million in 2024 (nil in 2023; see Notes 14 and 16).
- Reclassification from investment properties to real estate inventories amounting to ₱43.0 million in 2024 (see Notes 14 and 16).
- Purchases of investment properties in 2024 and 2023 which remain unpaid amounted to ₱2,348.9 million and ₱2,976.7 million, respectively (see Note 16).



40. Maturity Analysis of Assets and Liabilities

The following tables show an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one (1) year and beyond one (1) year from the statement of financial position date:

	2024			2023		
	Less than 12 months*	Over 12 months	Total	Less than 12 months**	Over 12 months	Total
(In Thousands)						
Assets						
Cash and other cash items	₱52,317,373	₱-	₱52,317,373	₱48,962,146	₱-	₱48,962,146
Loans and receivables - net						
Real estate operations	11,384,885	-	11,384,885	9,285,775	-	9,285,775
Hospitality operations	396,137	-	396,137	247,570	-	247,570
Banking and financial services	123,646,621	199,812,730	323,459,351	142,245,138	139,008,240	281,253,378
Power and utility operations	4,789,083	-	4,789,083	4,861,962	-	4,861,962
Sugar operations	153,708	-	153,708	134,639	-	134,639
Financial assets at FVPL	9,174,275	-	9,174,275	4,112,322	-	4,112,322
Financial assets at FVOCI	29,004,906	978,703	29,983,609	19,411,425	-	19,411,425
Investment securities at amortized cost	246,090	81,676,660	81,922,750	520,066	74,880,953	75,401,019
Contract assets	5,783,500	2,653,114	8,436,614	4,748,130	5,119,512	9,867,642
Real estate inventories	78,900,316	-	78,900,316	81,004,413	-	81,004,413
Coal, spare parts and other inventories	2,397,054	-	2,397,054	1,665,772	-	1,665,772
Investment properties - net	-	103,641,040	103,641,040	-	98,240,278	98,240,278
Property and equipment - net	-	51,890,809	51,890,809	-	49,253,884	49,253,884
Investment in joint ventures	-	2,010,839	2,010,839	-	1,907,136	1,907,136
Deferred tax assets - net	-	5,791,642	5,791,642	-	5,628,946	5,628,946
Goodwill	-	10,381,152	10,381,152	-	10,381,152	10,381,152
Other assets	26,847,272	9,802,339	36,649,611	23,316,940	9,997,634	33,314,574
	₱345,041,220	₱468,639,028	₱813,680,248	₱340,516,298	₱394,417,735	₱734,934,033
Liabilities						
Deposit liabilities	₱372,023,480	₱519,316	₱372,542,796	₱338,185,349	₱595,963	₱338,781,312
Bills and acceptances payable	40,117,180	-	40,117,180	15,403,706	-	15,403,706
Accounts payable and accrued expenses	39,251,233	14,650,147	53,901,380	37,393,107	9,495,839	46,888,946
Contract liabilities	2,427,964	728,461	3,156,425	2,786,400	210,452	2,996,852
Long-term and short-term debt	47,952,041	89,379,199	137,331,240	29,528,806	102,843,138	132,371,944
Income tax payable	439,461	-	439,461	488,470	-	488,470
Retirement liabilities	-	1,660,444	1,660,444	-	1,575,028	1,575,028
Lease liabilities	818,093	8,224,473	9,042,566	1,325,059	7,129,278	8,454,337
Deferred tax liabilities - net	-	9,108,250	9,108,250	-	10,281,563	10,281,563
	₱503,029,452	₱124,270,290	₱627,299,742	₱425,110,897	₱132,131,261	₱557,242,158

*Includes current assets and current liabilities of EW amounting to ₱192,757,037 and ₱431,030,282 as of December 31, 2024, respectively.

**Includes current assets and current liabilities of EW amounting to ₱194,266,208 and ₱370,944,909 as of December 31, 2023, respectively.

41. Registrations with PEZA and CSEZ

On February 20, 2017, June 1, 2016, and April 21, 2016, respectively, FCMI, MCI and FMI were registered and granted a Permit-to-Operate as a Clark Freeport enterprises in Clark Clark-Subic Economic Zone (CSEZ). As a registered enterprise, FMI is entitled to a special tax rate of 5% of gross income and tax exemption and duty-free importation in certain purchases directly related to its business activities as approved by CDC.

On February 13, 2002, FLI, FAC and FILRT were registered with Philippine Economic Zone Authority (PEZA) pursuant to the provisions of RA No. 7916 as the Ecozone Developer/Operator to lease, sell, assign, mortgage, transfer or otherwise encumber the area designated as a Special Economic Zone (Ecozone). The same shall be known as Filinvest Technology Park-Calamba.



Under the registration, FLI shall enjoy 5% preferential tax privilege on income generated from the Ecozone in lieu of the regular income tax rate.

On June 11, 2001, FAC was registered with PEZA as the developer/operator of PBCom Tower not entitled to any incentives. However, IT enterprises which shall locate in PBCom Tower shall be entitled to tax incentives pursuant to RA No. 7916.

On June 6, 2000, FILRT was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, it is also entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On December 15, 2015, PDDC was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, PDDC is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On July 3, 2019, FBCI was registered with PEZA as an ECOZONE developer/operator enterprise of New Clark City Phase I. As a registered enterprise, FBCI is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

FILRT, PDDC, FBCI are also entitled to zero percent (0%) value-added tax for sales made to ECOZONE enterprises.

42. Registrations with the Philippine Board of Investments (BOI)

As a registered enterprise, certain entities within the Group are entitled to certain tax and nontax incentives, subject to certain conditions.

The Group registered New Leaf Phases 1A and 1B as New Developers of Low-Cost Mass Housing Projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226), and its validity ended on March 19, 2023. No outstanding projects are registered with the BOI as of December 31, 2024.

Under Certificate of Registration No. 2018-261 dated December 12, 2018, DSRI was registered under Board of Investment (BOI) as New Operator of Tourist Accommodation Facility under the Modernization Program on a Non-Pioneer status under Omnibus Investment Code. Under the term of its non-Pioneer status with the BOI, DSRI is entitled to an Income Tax Holiday (ITH) for a period of four years from January 2022 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On August 30, 2013, the Group's 405 MW Misamis Power Plant was registered as New Operator of Coal Fired Power Project with the BOI under the Omnibus Investment Code of 1987 (Executive Order No. 226) and this ended in 2023.

On June 7, 2013, BSI was registered with BOI as New Operator of Tourist Accommodation Facility under Modernization Program on a Non-Pioneer status (Certificate of Registration No. 2013-123) under Omnibus Investment Code. Under the terms of the Non-Pioneer status with BOI, BSI is entitled to an income tax holiday (ITH) for a period of 4 years from December 2017 or actual start of commercial operations, whichever is earlier than the date of registration. On September 2, 2014,



BSI's registration was upgraded from Non-Pioneer status to Pioneer status in which ITH entitled period was increased from 4 years to 6 years starting December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On December 22, 2017, BSI filed a letter request to BOI to move the start date of its commercial operations to August 1, 2018. On March 1, 2019, the BOI has approved BSI's request to extend its ITH entitlement period from November 30, 2023 to May 2024 or for a period of six (6) months corresponding to the number of months that the Island of Boracay was declared under state of Calamity.

On July 20, 2023, the BOI has approved BSI's request to defer its ITH entitlement period to January 1, 2023 to May 31, 2027 or for a period of four (4) years and six (6) months due to the impact of the COVID 19 pandemic to its operations. As a result, BSI amended its income tax filings with the BIR to consider non-ITH period for the years ended December 31, 2020 to 2022. Additional income tax paid representing MCIT for taxable year 2022 amounting to ₱1.32 million is presented as part of current income tax for the year ended December 31, 2023.

43. Subsequent Events

Property-for-Share Swap Transaction with FILRT

On January 24, 2025, FLI's BOD approved the sale of its real property to FILRT under a tax-free property-for-share swap transaction. FLI will transfer its ownership over Festival Mall-Main Mall in favor of FILRT, in exchange for 1,626,003,316 primary common shares of FILRT at an issue price of ₱3.85 per share, with a total value of ₱6.26 billion. The said transaction will allow FLI to increase its equity in FILRT from 51.06% to 63.27%. Upon the Philippine SEC's approval of the Transaction, FLI and FILRT shall execute a lease agreement for the Property. As of March 19, 2025, the property-for-share swap is still pending SEC approval.

Listing of FLI's Peso-Denominated Fixed-Rate bonds with an aggregate total of ₱12.0 billion

On March 12, 2025, FLI successfully raised ₱12.0 billion through the issuance of (i) 5-year bonds due 2030 with interest rate of 6.2916%, (ii) 7-year bonds due 2032 with interest rate of 6.6550%, and (iii) 10-year bonds due 2035 with interest rate of 6.8312% per annum (the "Bonds"). This latest bond issuance will be the second tranche out of its ₱35.0 billion bonds registered in 2023 under the shelf-registered program of the Philippine SEC. FLI has listed said Bonds on the Philippine Dealing & Exchange Corp. on March 12, 2025.

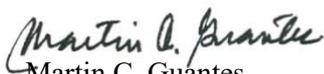


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Development Corporation (the Parent Company) and its subsidiaries (collectively referred to as the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 19, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 19, 2025



FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
ANNEX 68-D - RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
DECEMBER 31, 2024
(Amounts in Thousand Pesos)

Unappropriated Retained Earnings, beginning of reporting period		₱11,957,693
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	—	
Effect of restatements	—	
Others	—	
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	894,770	
Retained earnings appropriated during the reporting period	—	
Effect of restatements	—	
Others	—	894,770
Unappropriated Retained Earnings, as adjusted		11,062,923
Add/Less: Net income (loss) for the current year		651,554
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Sub-total		—
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		—

(Forward)

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-

Adjusted Net Income/Loss	651,554
---------------------------------	----------------

Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-	
Sub-total		-

Add/Less: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-

Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution

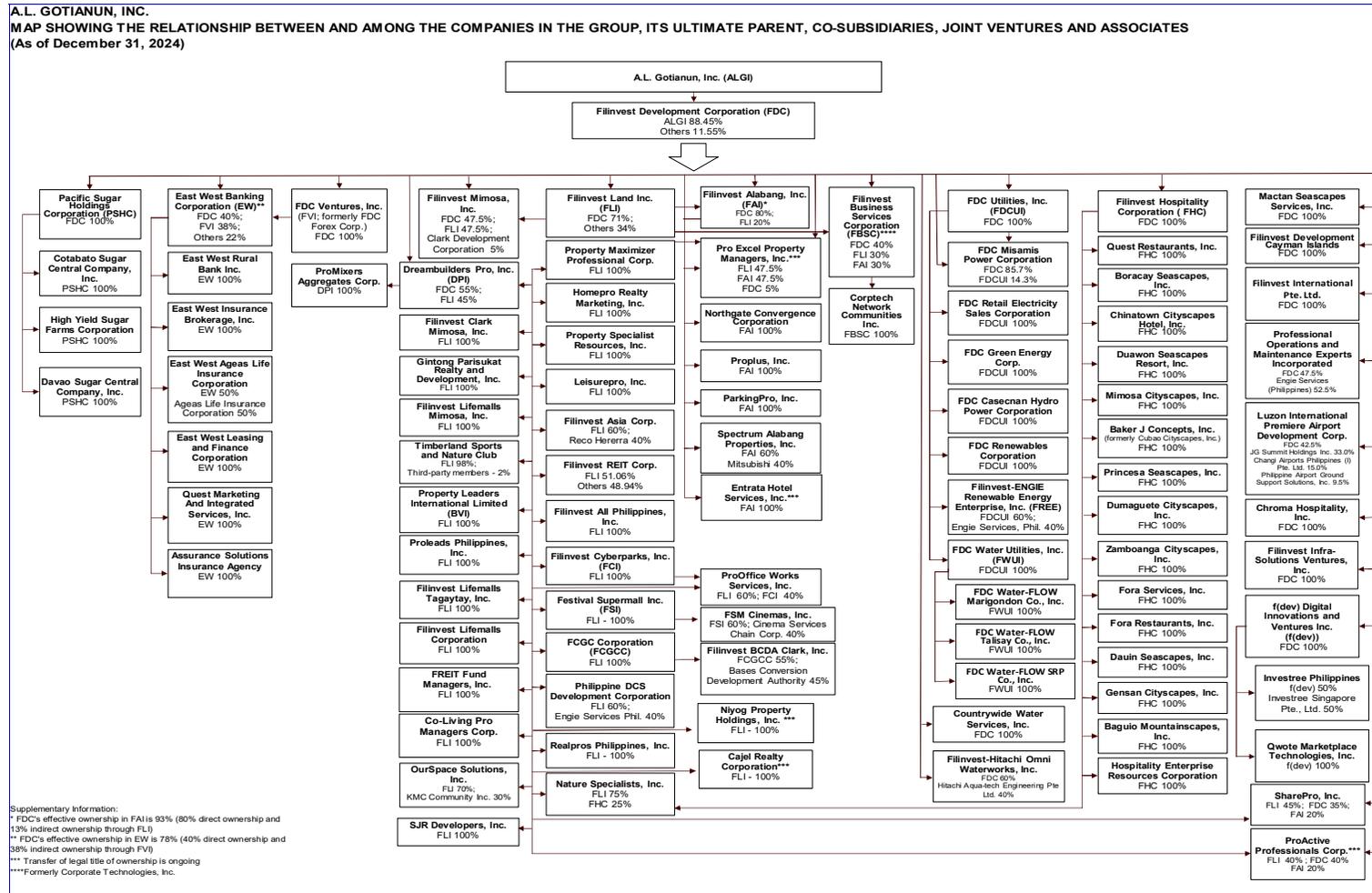
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total	-	-

Total Retained Earnings, end of reporting period available for dividend	₱11,714,477
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FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY, CO-SUBSIDIARIES AND ASSOCIATE
DECEMBER 31, 2024**



Supplementary information:
 * FDC's effective ownership in FAI is 93% (80% direct ownership and 13% indirect ownership through FLI)
 ** FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)
 *** Transfer of legal title of ownership is ongoing
 **** Formerly Corporate Technologies, Inc.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
Schedule A: SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS
DECEMBER 31, 2024

Below is the schedule of financial assets in equity securities of the Group as of December 31, 2024:

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
(In Thousands)				
Financial Assets at Fair Value Through Profit or Loss				
Debt Securities				
Fixed Rate Treasury Notes (FXTN)	₱5,017,567	₱5,202,662	₱5,202,662	₱342,929
Petroleos Mexicanos (PEMEX)	578,450	434,503	434,503	50,712
Treasury Bills	—	—	—	—
Retail Treasury Bond (RTB) Republic of the Philippines (ROP)	201,387	199,993	199,993	12,784
	3,470,700	3,326,804	3,326,804	120,476
	9,268,104	9,163,962	9,163,962	526,901
Equity Securities				
LGU Guarantee Corporation	10,213	10,213	10,213	—
Victoria Milling Corporation	100	100	100	—
Citibank Manila	73	—	—	—
	10,386	10,313	10,313	—
	₱9,278,490	₱9,174,275	₱9,174,275	₱526,901
Financial Assets at Fair Value Through Other Comprehensive Income				
Debt Securities				
Government Securities				
ROP	₱16,657,680	₱16,464,498	₱16,233,118	₱524,898
FXTN	3,773,726	3,661,224	3,661,223	148,603
RTB	550,000	547,659	547,659	30,939
RDB	515,474	480,850	480,850	7,018
PEMEX	462,760	347,749	347,602	42,103
INDON	—	—	—	7,594
MEXICAN GLOBAL BONDS (MEX)	289,225	260,826	260,826	24,565
BSP	—	—	—	249
	22,248,865	21,762,806	21,531,278	785,969
Private Bonds				
Ayala Corp.	1,671,547	1,395,388	1,395,388	72,571
Aboitiz Equity Ventures	1,446,125	1,370,854	1,370,854	52,706
First Pacific	1,156,900	1,124,981	1,124,981	37,126
JG Summit	1,156,900	1,093,687	1,093,687	38,578
Manila Water	926,677	884,930	884,930	34,306
Jollibee Food Corp.	577,872	561,633	561,634	24,667
Rizal Commercial Banking Corp	535,066	533,156	533,156	33,089
International Container Terminal Services, Inc.	264,467	262,403	262,550	9,942
	7,735,554	7,227,032	7,227,180	302,985
Quoted				
The Palms Country Club	286	520,552	520,552	—
Manila Golf	2	320,000	320,000	—
Manila Polo Club	1	50,000	50,000	—
Caliraya Golf	18,401,035	15,491	15,491	—
Empire East Land Holdings	—	(423)	(423)	—
Sta Elena Properties Inc.	2	48,000	48,000	—

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
		(In Thousands)		
Philippine Long Distance Telephone Company	26,100	261	261	–
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	–
Riviera Golf	1	1,800	1,800	–
	19,581,121	961,878	961,878	–
Unquoted				
H.B. Fuller	1,903,767	19,040	19,040	–
Cebu Country Club	1	6,017	6,017	–
The Palms Country Club	1,000	3,060	3,060	–
Alabang Country Club	1	2,200	2,200	–
Philippine Long Distance Telephone Company	59,900	100	100	–
Pilipino Telephone Corp.	1,800	8	8	–
Others	–	1,468	1,468	–
	1,966,469	31,893	31,893	–
	₱51,532,009	₱29,983,609	₱29,752,229	₱1,088,954
Investment Securities at Amortized Cost				
ROP	₱47,374,419	₱45,630,669	₱41,166,170	₱1,905,171
FXTN	22,012,993	21,431,768	20,286,425	1,171,120
Republic of Indonesia	9,026,712	9,857,911	9,150,777	488,426
PLNJ	1,981,191	1,785,732	1,814,434	114,580
SMINVE	–	–	–	37,677
PEMEX	601,588	579,507	396,525	24,401
RTB	245,654	255,824	241,367	14,865
RP GPN	331,671	309,741	398,081	16,783
	81,574,228	79,851,152	73,453,779	3,773,023
Fixed Rate Treasury Notes (FXTN) - EWRB	1,881,646	2,082,734	2,082,734	44,174
Allowance for probable losses	–	(11,136)	–	–
	₱83,455,874	₱81,922,750	₱75,536,513	₱3,817,197

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule B: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE
FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2024**

There are no advances to employees with balances above ₱1.0 million as of December 31, 2024.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

Schedule C: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2024

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2024 (amounts in thousands):

	Volume of Transactions		Receivable (Payable)	Terms
Filinvest REIT Corp. (FILRT)	Sale of lot	(P351,829)	P560	Noninterest-bearing and to be settled on a quarterly basis until December 2024
Pacific Sugar Holdings Corporation (PSHC)	Share in expenses	(549,995)	5,418	Noninterest-bearing and to be settled within 1 year
FDC Misamis Power Corporation (FDC Misamis)	Share in expenses Operational advances Interest on advances	(311)	101	Noninterest-bearing and to be settled within 1 year except for loan**
Corporate Technologies, Inc. (CTI)	Share in expenses Operational advances Interest on advances	167,052	349,997	Noninterest-bearing and to be settled within 1 year except for loan**
SharePro, Inc. (SPI)	Share in expenses Operational advances Interest on advances	34,701	158,460	Noninterest-bearing and to be settled within 1 year except for loan**
Countrywide Water Services Inc. (CWSI)	Share in expenses Interest on advances Share in expenses	(31,579)	12,052	Noninterest-bearing and to be settled within 1 year except for loan**
Mactan Seascapes Services, Inc. (MSSI)	Maintenance dues Rental income Share in expenses	(346,883)	26,181	Noninterest-bearing and to be settled within 1 year
Filinvest Land, Inc. (FLI)	Dividend income	(117,218)	36,111	Noninterest-bearing and to be settled within 1 year
FDC Utilities, Inc. (FDCUI)	Share in expenses Rental income Rental deposit	(1,060)	489	Noninterest-bearing and to be settled within 1 year
Boracay Seascapes, Inc. (BSI)	Share in expenses	411	411	Noninterest-bearing and to be settled within 1 year
Filinvest Hospitality Corporation (FHC)	Share in expenses Rental income	11,147	18,540	Noninterest-bearing and to be settled within 1 year
FDC Water Utilities, Inc. (FWUI)	Rental deposit	44,485	46,877	Noninterest-bearing and to be settled within 1 year
f(dev) Digital Innovations and Ventures, Inc. (FDEV)	Share in expenses	10,664	10,850	Noninterest-bearing and to be settled within 1 year
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	(1,067)	359	Noninterest-bearing and to be settled within 1 year
Proexcel Property Managers, Inc. (PPMI)	Share in expenses	-	-	Noninterest-bearing and to be settled within 1 year
Dreambuilders Properties, Inc. (DPI)	Share in expenses	37	60	Noninterest-bearing and to be settled within 1 year
Cotabato Sugar Central Company, Inc. (CSCC)	Purchases Share in expenses	(301)	-	Noninterest-bearing and to be settled within 1 year
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses			Noninterest-bearing and to be settled within 1 year
FDC Ventures, Inc. (FVI)	Share in expenses Dividend income	349,000	-	Noninterest-bearing and to be settled within 1 year
Property Maximizer Professional Corp. (Promax)	Commission	-	(889)	Noninterest-bearing and to be settled within 1 year
Duawon Seascapes Resort, Inc. (DSRI)	Rental income Share in expenses	200	200	Noninterest-bearing and to be settled within 1 year
Filinvest Alabang, Inc. (FAI)	Purchase of shares Share in expenses Rental expense	30,716	16,888	Noninterest-bearing and to be settled within 1 year
East West Banking Corporation (EW)	Bank loan Interest on bank loan	(172,682)	(4,793,943)	Noninterest-bearing and to be settled within 1 year except for loan*

* Interest-bearing loan with interest rate per annum equivalent to 4.8% fixed payable semi-annually. Principal is due in October 2025.

** P549.0 million aggregate operational advances to CTI, CWSI, FDC Misamis and SPI subject to fixed interest rates ranging from 3.7% to 7.0% per annum due within 1 year to 2 years.

	Balances at Beginning of Year	Additions/ Reclassifications	Collections/ Reclassification	Balances at End of Year
FILRT	₱352,389	₱-	(₱351,829)	₱560
PSHC	106,625	-	(101,207)	5,418
FDC Misamis	412	-	(311)	101
CTI	182,945	167,052	-	349,997
SPI	123,758	34,701	-	158,460
CWSI	43,630	-	(31,579)	12,052
MSSI	373,063	-	(346,883)	26,181
FLI	153,329	-	(117,218)	36,111
FDCUI	1,549	-	(1,060)	489
BSI	-	411	-	411
FHC	7,392	11,147	-	18,540
FWUI	2,392	44,485	-	46,877
FDEV	186	10,664	-	10,850
FCI	1,426	-	(1,067)	359
PPMI	-	-	-	-
DPI	23	37	-	60
CSCC	301	-	(301)	-
Promax	(889)	-	-	(889)
DSRI	-	200	-	200
FAI	(13,828)	30,716	-	16,888
EW	(3,031,742)	-	(1,762,201)	(4,793,943)
	(₱1,697,039)	₱299,413	(₱2,713,655)	(₱4,111,278)

The intercompany transactions between FDC and the subsidiaries pertain to share in expenses, rental charges, dividend income, sale of lots, purchase of shares, operational loan and interest charges. There were no amounts written off during the year and all amounts are expected to be settled within the year except for; (a) EW, which pertains to interest-bearing loans with interest rate per annum equivalent to 4.8% fixed payable semi-annually. Principal is due in October 2025; and (b) ₱549.0 million aggregate advances to CTI, CWSI, FDC Misamis and SharePro subject to fixed interest rates ranging from 3.7% to 7.0%. These advances are due within 1 year to 2 years; and (c) sale of lot to FILRT with remaining balance payable on a quarterly installment basis up to December 31, 2024

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

Schedule D: SUPPLEMENTARY SCHEDULE OF LONG-TERM AND SHORT-TERM DEBT DECEMBER 31, 2024

Below is the schedule of long-term and short-term debt of the Group:

TITLE OF ISSUE AND TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT	NON- CURRENT	TOTAL	INTEREST RATE	MATURITY DATE
PARENT COMPANY:						
Bank loans - Philippine Peso	Various	₱8,932,874	₱9,274,489	₱18,207,363	With fixed interest 4.0% to 5.2% per annum	With varying maturity dates up to 2028
Bonds due 2026	₱8,800,000	–	9,918,241	9,918,241	6.3%	August 7, 2026
		8,932,874	19,192,730	28,125,604		
SUBSIDIARIES:						
Bank loans - Philippine Peso	Various	24,203,223	37,371,997	61,575,220		
Philippine peso:						
Bonds due 2025	₱8,925,000	8,860,822	–	8,860,822	5.4%	June 23, 2025
Bonds due 2025	1,000,000	994,802	–	994,802	5.7%	August 20, 2025
Bonds due 2025	5,000,000	4,960,320	–	4,960,320	4.5%	December 21, 2025
Bonds due 2026	1,764,600	–	1,761,556	1,761,556	4.2%	May 18, 2026
Bonds due 2027	11,430,800	–	11,350,450	11,350,450	7.0%	June 1, 2027
Bonds due 2027	2,975,000	–	2,957,983	2,957,983	6.4%	June 23, 2027
Bonds due 2027	5,000,000	–	4,970,655	4,970,655	5.3%	December 21, 2027
		39,019,167	58,412,641	97,431,808		
Foreign currency bonds due 2025	\$200,000	–	11,773,828	11,773,828	4.3%	September 17, 2025
		₱47,952,041	₱89,379,199	₱137,331,240		

Amounts are presented net of unamortized deferred costs.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule E: SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO
RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2024**

This schedule is not applicable as there are no non-current indebtedness to related parties as of December 31, 2024.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

**Schedule F: SUPPLEMENTARY SCHEDULE OF GUARANTEES OF
SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024**

The Group does not have guarantees of securities of other issuers as of December 31, 2024.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**Schedule G: SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK****DECEMBER 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
		(In Thousands)				
Common Shares	15,000,000	8,648,463	–	7,653,635	66,351	928,477
Preferred Shares	2,000,000	–	–	–	–	–

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES – SECURITIES
OFFERED TO THE PUBLIC
DECEMBER 31, 2024

On February 7, 2024, the Parent Company issued fixed rate 2.5-year bonds due in 2026 with principal amount of ₱10.0 billion. The bonds carry a fixed interest rate of 6.3206% per annum payable quarterly in arrears starting May 7, 2024.

I.	Proceeds	
	Net proceeds	₱9,876.0
II.	Utilization	
	Refinancing of debt obligations	5,000.0
	Capital expenditures for:	
	Hotel projects	508.6
	Renewable Energy and Water Projects	34.0
	Investment in Digitalization	137.5
	General corporate purposes	1,000.0
III.	Balance as of December 31, 2024	₱3,195.9

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

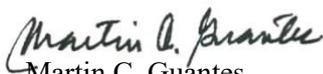
	2024	2023
Total Audit Fees	₱20,864,685	₱18,267,074
Non-audit services fees:		
Other assurance services	10,241,798	7,313,320
Tax services	728,630	1,074,980
All other services	2,400,000	880,000
Total Non-audit Fees	13,370,428	9,268,300
Total Audit and Non-audit Fees	₱34,235,113	₱27,535,374

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filinvest Development Corporation
The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Development Corporation (the Parent Company) and its subsidiaries (collectively referred to as the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 19, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023, and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

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

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 19, 2025



Ratio	Formula	2024	2023
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	EBITDA divided by Total Interest Expense EBITDA ₱33,806,179 Divide by: Total Interest Expense ⁽³⁾ ₱7,167,415 <hr/> EBITDA to Total Interest Expense 4.72	4.72	5.01
Current Ratio	a. Including EWBC Total Current Assets divided by Total Current Liabilities Total Current Assets ₱345,041,220 Divide by: Total Current Liabilities ₱503,029,452 <hr/> Current Ratio 0.69	0.69	0.80
	b. Excluding EWBC Total Current Assets divided by Total Current Liabilities Total Current Assets ₱152,284,183 Divide by: Total Current Liabilities ₱71,999,170 <hr/> Current Ratio 2.12	2.12	2.70
Quick Ratio - Excluding EWBC	Current Asset less Inventories divided by Current Liabilities Total Current Assets ₱152,284,183 Less: Inventories 81,297,370 <hr/> 70,986,813 Divide by: Total Current Liabilities 71,999,170 <hr/> Quick Ratio - Excluding EW 0.99	0.99	1.17
Asset to Equity Ratio	Total Assets divided by Total Equity Total Assets ₱813,680,248 Divide by: Total Equity ₱186,380,506 <hr/> Solvency Ratio 4.37	4.37	4.14

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

(2) Excluding deposit liabilities, bills and acceptances payable, asset retirement obligation and lease liabilities.

(3) Excluding financial liabilities on lease contract

ANNEX "E"

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

RESULTS OF OPERATIONS

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

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

Revenues

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

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

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

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

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

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

Other Income

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

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

Other Income - Power and Utility Operations

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

Other Income - Sugar Operations

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

Costs

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

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

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

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

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

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

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

Expenses

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

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

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

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

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

Provision for Income Tax

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

Net Income

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

FINANCIAL CONDITION

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

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

Assets

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

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

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

Loans and receivables

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

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

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

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

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

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

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

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

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

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

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

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

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

	December 31 2024	December 31 2023	Increase (decrease)	
			Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	₱372,542,796	₱338,781,312	₱33,761,484	10.0%
Bills and acceptances payable	40,117,180	15,403,706	24,713,474	160.4%
Accounts payable and accrued expenses	53,901,380	46,888,946	7,012,434	15.0%
Contract Liabilities	3,156,425	2,996,852	159,573	5.3%
Long-term debt	137,331,240	132,371,944	4,959,296	3.7%
Income tax payable	439,461	488,470	(49,009)	-10.0%
Retirement Liabilities	1,660,444	1,575,028	85,416	5.4%
Lease liability	9,042,566	8,454,337	588,229	7.0%
Deferred income tax liabilities - net	9,108,250	10,281,563	(1,173,313)	-11.4%
Total Liabilities	627,299,742	557,242,158	70,057,584	12.6%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock	9,319,872	9,319,872	-	0.0%
Treasury stock	(3,614,474)	(3,614,474)	-	0.0%
Additional paid-in capital	11,900,015	11,900,015	-	0.0%
Retained earnings	127,792,244	119,711,533	8,080,711	6.8%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	(547,810)	(302,556)	(245,254)	-81.1%
Share in other components of equity of associate	724	724	-	0.0%
Remeasurement gains (losses) on retirement plans	(214,373)	(176,065)	(38,308)	-21.8%
Translation adjustment	121,161	201,167	(80,006)	-39.8%
Total	144,757,359	137,040,216	7,717,143	5.6%
Noncontrolling interest	41,623,147	40,651,659	971,488	2.4%
Total Equity	186,380,506	177,691,875	8,688,631	4.9%
TOTAL LIABILITIES AND EQUITY	₱813,680,248	₱734,934,033	₱78,746,215	10.7%

Liabilities

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

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

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

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

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

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

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

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

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

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

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

Equity

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

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

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

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

Performance Indicators

	As of and for the year ended			
	December 31, 2024		December 31, 2023	
Earnings Per Share - Basic (EPS)	₱1.40	/share	₱1.03	/share
Net Income (Attributable to Equity Holders of the Parent Company)	<hr/>			
Weighted Average Number of Outstanding Shares	<hr/>			
Price Earnings Ratio (PE Ratio)	3.53	Times	5.19	Times
Closing Price ⁽¹⁾	<hr/>			
EPS	<hr/>			
Return on Revenue	14%		13%	
Total Net Income	<hr/>			
Total Revenue	<hr/>			
Return on Equity (Average)	9%		7%	
Total Net Income	<hr/>			
Average Total Equity	<hr/>			

	As of and for the year ended			
	December 31, 2024		December 31, 2023	
Debt to Equity Ratio				
a) <u>Long-term and Short-term Debt</u>	0.74	:1	0.74	:1
Total Equity				
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement				
<u>Obligation and Finance Lease Liabilities</u>	1.10	:1	1.09	:1
Total Equity				
Current Ratio				
a) Including EW				
<u>Current Assets</u>	0.69	:1	0.80	:1
Current Liabilities				
b) Excluding EW				
<u>Current Assets</u>	2.12	:1	2.70	:1
Current Liabilities				
Quick Ratio – excluding EW	0.99	:1	1.17	:1
<u>Current Assets – Inventories</u>				
Current Liabilities				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	4.72	Times	5.01	Times
<u>EBITDA</u>				
Total Interest Expense ⁽²⁾				
Assets to Equity Ratio	4.37	:1	4.14	:1
<u>Total Assets</u>				
Total Equity				

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

Notes to Financial Statements and Other Disclosures

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

5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
7. The Group derives its revenues from the following reportable segments:

Real Estate Operations

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

Hospitality Operations

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

Banking and Financial Services

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

Power and Utility Operations

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

Sugar Operations

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

Other Operations

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

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

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2024 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.
10. There are no changes in contingent liabilities or contingent assets since December 31, 2024.
11. There are no material contingencies and any other events or transactions affecting the current period.

12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.

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

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

Revenues

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

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

Real Estate Operations - Mall and Rental Revenues

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

Hospitality Revenues

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

Banking and Financial Services Revenues

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

Power and Utility Revenues

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

Sugar Revenues

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

Other Income

Other Income - Real Estate Operations

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

Other Income - Hospitality Operations

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

Other Income - Banking and Financial Services

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

Other Income - Power and Utility Operations

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

Other Income - Sugar Operations

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

Costs

Costs of Sale of Lots, Condominium and Residential Units

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

Costs of Mall and Rental Services

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

Costs of Hospitality Operations

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

Costs of Banking and Financial Services

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

Costs of Power and Utility Operations

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

Costs of Sugar Operation

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

Costs of Other Operations

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

Expenses

Real Estate Operations

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

Hospitality Operations

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

Banking and Financial Services

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

Power and Utility Operations

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

Sugar Operations

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

Other Operations

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

Provision for Income Tax

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

Net Income

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

FINANCIAL CONDITION

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

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

Assets

Total consolidated assets grew by 7.0% or ₱48,113.4 million to ₱734,934.0 million as of December 31, 2023.

The following are the significant changes in account balances from December 31, 2022 to December 31, 2023:

Cash and cash equivalents decreased by 31.3% or ₱22,349.8 million to ₱48,962.1 million as the Bank's funds were placed in higher yielding assets.

Loans and receivables of the hospitality segment increased by 103.1% or ₱125.6 million to ₱247.6 million due to higher revenues recognized.

Loans and receivables of the banking and financial services increased by 16.2% or ₱39,276.7 million to ₱281,253.4 million mainly ascribed to higher consumer lending driven by the improvement in teachers' loan and credit cards.

Loans and receivables of the power and utility operations went up by 32.1% or ₱1,182.2 million to ₱4,862.0 million. Higher level of trade receivables was due to higher pass-through fuel cost and longer average collection period.

Loans and receivables of the sugar business increased by 32.3% or ₱32.8 million to ₱134.6 million brought about by additional advances extended to sugar planters.

Financial assets at fair value through profit or loss increased by 110.0% or ₱2,154.0 million to ₱4,112.3 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Financial assets at fair value through other comprehensive income increased by 11.7% or ₱2,034.1 million to ₱19,453.5 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Investment securities at amortized cost increased by 18.7% or ₱11,854.8 million to ₱75,401.0 million due to growth in the Banks' portfolios, particularly on treasury notes and government bonds.

Contract assets increased by 29.7% or ₱2,258.1 million to ₱9,867.6 million mainly due to extended payment terms granted to buyers and new sales during the year.

Coal, spare parts and other inventories decreased by 28.1% or ₱650.9 million to ₱1,665.8 million due to decreased coal and sugar and molasses inventories.

Deferred income tax assets - net increased by 8.9% or ₱461.2 million to ₱5,628.9 million from decrease in unrealized foreign exchange gains of the Group.

Right-of-use assets decreased by 9.1% or ₱415.8 million to ₱4,150.7 million primarily attributable to amortization of the Group.

Other assets went up by 32.5% or ₱8,177.2 million to ₱33,314.6 million due to capital expenditures on BTO rights, increase in restricted cash and repossessed assets.

	December 31		Increase (decrease)	
	2023	2022	Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	338,781,312	312,374,479	26,406,833	8.5%
Bills and acceptances payable	15,403,706	6,761,456	8,642,250	127.8%
Accounts payable and accrued expenses	46,888,946	40,303,983	6,584,963	16.3%
Contract Liabilities	2,996,852	3,923,011	(926,159)	-23.6%
Long-term debt	132,371,944	137,224,888	(4,852,944)	-3.5%
Income tax payable	488,470	248,839	239,631	96.3%
Retirement Liabilities	1,575,028	1,671,162	(96,134)	-5.8%
Lease liability	8,454,337	8,507,757	(53,420)	-0.6%
Deferred income tax liabilities - net	10,281,563	10,132,992	148,571	1.5%
Total Liabilities	557,242,158	521,148,567	36,093,591	6.9%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock	9,319,872	9,319,872	-	0.0%
Treasury stock	(3,614,474)	(3,614,474)	-	0.0%
Additional paid-in capital	11,900,015	11,900,015	-	0.0%
Retained earnings	119,711,533	111,329,156	8,382,377	7.5%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	(302,556)	(1,326,191)	1,023,635	77.2%
Share in other components of equity of associate	724	724	-	0.0%
Remeasurement gains (losses) on retirement plans	(176,065)	(186,845)	10,780	5.8%
Translation adjustment	201,167	(159,838)	361,005	225.9%
Total	137,040,216	127,262,419	9,777,797	7.7%
Noncontrolling interest	40,651,659	38,409,623	2,242,036	5.8%
Total Equity	177,691,875	165,672,042	12,019,833	7.3%
TOTAL LIABILITIES AND EQUITY	734,934,033	686,820,609	48,113,424	7.0%

Liabilities

Total consolidated liabilities increased by 6.9% or ₱39,093.6 million to ₱557,242.2 million.

The following are the significant changes in liability accounts from December 31, 2022 to December 31, 2023:

Deposit liabilities increased by 8.5% or ₱26,406.8 million from growth of dollar deposits in terms of increase in volume and foreign exchange revaluation.

Bills and acceptances payable grew by 127.8% or ₱8,642.3 million to ₱15,403.7 million mainly from the higher volume of repo borrowings to support funding in FCDU books including purchase of FVOCI and Investment Securities at Amortized Cost.

Accounts payable, accrued expenses and other liabilities increased by 16.3% or ₱6,585.0 million to ₱46,888.9 million due to higher level of year-end accruals and higher volume of payables to contractors, vendors and suppliers.

Contract liabilities decreased 23.6% or ₱926.2 million to ₱2,996.9 million due to real estate's construction in progress for the accounts already qualified for revenue recognition.

Income tax payable increased by 96.3% or ₱239.6 million to ₱488.5 million due to higher taxable income for the year.

Retirement liabilities decreased by 5.8% or ₱96.1 million to ₱1,575.0 million due to funding of the Group's plan assets.

Equity

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

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

On April 30, 2021, FDC's BOD approved the declaration and payment of cash dividends of ₱0.098 per share for every common share of record as of May 21, 2021. This was paid on June 15, 2021.

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

Performance Indicators

	As of And For The Year Ended <u>December 31, 2023</u>		As of And For The Year Ended <u>December 31, 2022</u>	
Earnings Per Share - Basic (EPS)	₱1.035	/share	₱0.653	/share
<u>Net Income (Attributable to Equity Holders of the Parent Company)</u>				
<u>Weighted Average Number of Outstanding Shares</u>				
Price Earnings Ratio (PE Ratio)	5.19	Times	9.83	Times
<u>Closing Price ⁽¹⁾</u>				
<u>EPS</u>				
Return on Revenue	13%		12%	
<u>Total Net Income</u>				
<u>Total Revenue</u>				
Return on Equity (Average)	7%		5%	
<u>Total Net Income</u>				
<u>Average Total Equity</u>				
Assets to Equity Ratio	4.14	:1	4.15	:1
<u>Total Assets</u>				
<u>Total Equity</u>				

	As of And For The Year Ended <u>December 31, 2023</u>		As of And For The Year Ended <u>December 31, 2022</u>	
Debt to Equity Ratio				
a) <u>Long-term and Short-term Debt</u>	0.74	:1	0.83	:1
Total Equity				
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement				
<u>Obligation and Finance Lease Liabilities</u>	1.09	:1	1.16	:1
Total Equity				
Current Ratio				
a) Including EW				
<u>Current Assets</u>	0.80	:1	0.71	:1
Current Liabilities				
b) Excluding EW				
<u>Current Assets</u>	2.70	:1	2.18	:1
Current Liabilities				
Quick Ratio – excluding EW	1.17	:1	0.65	:1
<u>Current Assets – Inventories</u>				
Current Liabilities				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	5.01	Times	4.42	Times
<u>EBITDA</u>				
Total Interest Expense ⁽²⁾				

(2) Closing prices at December 29, 2023 and December 29, 2022.

(3) Excluding financial liabilities on lease contract

Notes to Financial Statements and Other Disclosures

- The attached consolidated financial statements are prepared in compliance with PFRS. Except as disclosed in the Notes to the consolidated financial statements, the accounting policies and methods of computation followed in the financial statements for the year ended December 31, 2023 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2022.
- Except for the sugar business, the operating activities of the Company are carried out uniformly over the calendar year. The sugar milling season of the Company's sugar subsidiaries is usually from November to June of the following year. Except for this milling season, there are no other unusual operating cycles or seasons during the year.
- Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- There are no changes in estimates of amounts reported in the previous period that have material effects in the current period.

5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
7. The Company derives its revenues from the following reportable segments:

Real Estate Operations

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

Hospitality Operations

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

Banking and Financial Services

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

Power and Utility Operations

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

Sugar Operations

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

Other Operations

This involves other operations of the Parent Company including FDCI, CTI, FDEV and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while CTI is engaged in providing computer and information technology services FDEV is organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

Financial information on the operations of these business segments as of and for the years ended December 31, 2022 and 2021 are summarized and included in the accompanying Notes to Consolidated Financial Statements.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2023 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.
10. There are no changes in contingent liabilities or contingent assets since December 31, 2023.
11. There are no material contingencies and any other events or transactions affecting the current period.

12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.
17. On known trends, events, or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations, the Company considers the following:

Seasonality

Except for the significant impact of COVID-19 pandemic to the Company's operations starting March 2020, there were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

	December 31		Increase (decrease)	
	2022	2021	Amount	%
REVENUES				
Real estate operations				
Sale of lots, condominium and Mall and rental revenues	13,314,664	11,966,859	1,347,805	11.3%
Hospitality operations	1,928,979	1,206,684	722,295	59.9%
Banking and financial services	25,652,661	22,795,094	2,857,567	12.5%
Power and utility operations	12,899,789	9,395,168	3,504,621	37.3%
Sugar operations	4,280,178	4,096,201	183,977	4.5%
TOTAL REVENUES	64,808,460	55,338,306	9,470,154	17.1%
INTEREST AND OTHER INCOME				
Real estate operations	1,180,709	1,417,709	(237,000)	-16.7%
Hospitality operations	4,195	2,453	1,742	71.0%
Banking and financial services	4,912,360	6,037,061	(1,124,701)	-18.6%
Power and utility operations	139,059	73,942	65,117	88.1%
Sugar operations	78,809	37,511	41,298	110.1%
Total INTEREST AND OTHER INCOME	6,315,132	7,568,676	(1,253,544)	-16.6%
TOTAL REVENUES AND OTHER INCOME	71,123,592	62,906,982	8,216,610	13.1%
COSTS				
Real estate operations				
Sale of lots, condo and residential Rental services	7,521,107	6,748,421	772,686	11.4%
Hospitality operations	2,366,540	2,266,103	100,437	4.4%
Banking and financial services	1,334,216	1,010,347	323,869	32.1%
Power and utility operations	2,593,840	2,041,869	551,971	27.0%
Sugar operations	8,700,791	5,420,167	3,280,624	60.5%
Other operations	3,554,776	3,520,107	34,669	1.0%
	470,272	420,536	49,736	11.8%
	26,541,542	21,427,550	5,113,992	23.9%
EXPENSES				
Real estate operations	6,419,775	5,987,613	432,162	7.2%
Hospitality operations	1,192,396	943,292	249,104	26.4%
Banking and financial services	22,097,839	20,859,672	1,238,167	5.9%
Power and utility operations	2,264,496	2,122,328	142,168	6.7%
Sugar operations	160,302	177,813	(17,511)	-9.8%
Other operations	1,755,697	1,559,542	196,155	12.6%
	33,890,505	31,650,260	2,240,245	7.1%
TOTAL COST AND EXPENSES	60,432,047	53,077,810	7,354,237	13.9%
INCOME BEFORE INCOME TAX	10,691,545	9,829,172	862,372	8.8%
PROVISION FOR INCOME TAX				
Current	2,059,068	1,264,526	794,542	62.8%
Deferred	329,817	(321,101)	650,918	-202.7%
	2,388,885	943,425	1,445,460	153.2%
NET INCOME	8,302,660	8,885,747	(583,087)	-6.6%
Attributable to:				
Equity holders of the parent	5,650,674	6,065,764	(415,090)	-6.8%
Minority interest	2,651,986	2,819,983	(167,997)	-6.0%
	8,302,660	8,885,747	(583,087)	-6.6%
Basic/Diluted Earnings Per Share	0.653	0.701		

Revenues

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

Sale of lots, condominium and residential units rose by 11.3% or ₱1,347.8 million from ₱11,966.9 million in 2021 to ₱13,314.7 million in 2022. The increase was primarily attributed to higher construction percentage-of-completion achieved during the year.

Real Estate Operations - Mall and Rental Revenues

Mall and rental revenues improved by 14.5% or ₱853.9 million from ₱5,878.3 million in 2021 to ₱6,732.2 million in 2022 due to gradual reduction of rental concessions, reinstatement of escalation rates and increased occupancy levels.

Hospitality Revenues

Hospitality revenues registered a growth of 59.9% or ₱722.3 million from ₱1,206.7 million in 2021 to ₱1,929.0 million in 2022, due to higher average room rates and higher food and beverage revenues, as travel restrictions slowly eased down and borders reopened for tourism and leisure activities.

Banking and Financial Services Revenues

Revenues or interest income from banking and financial services (the Bank) was 12.5% higher from ₱22,795.1 million in 2021 to ₱25,652.7 million in 2022, largely driven by the 20% growth in loans portfolio and 24% increase in fixed-income securities.

Power and Utility Revenues

Revenues from the power and utility operations increased by 37.3% or ₱3,504.6 million from ₱9,395.2 million in 2021 to ₱12,899.8 million in 2022 due to higher pass-through cost of fuel.

Sugar Revenues

Revenues from sugar business went up by 4.5% or ₱184.0 million from ₱4,096.2 million in 2021 to ₱4,280.2 million in 2022 because of increase in sugar prices despite lower sales volume.

Other Income

Other Income — Real Estate Operations

Other income from real estate operations decreased by 16.7% or ₱237.0 million from ₱1,417.7 million in 2021 to ₱1,180.7 million in 2022 due to lower income generated from processing fees and lower interest income derived from installment contract receivables for in-house financing scheme.

Other Income — Hospitality Operations

Other income from hospitality business increased by 71.0% or ₱1.7 million from ₱2.5 million in 2021 to ₱4.2 million in 2022 derived primarily from insurance proceeds.

Other Income — Banking and Financial Services

Banking and financial services' other income decreased by 18.6% or ₱1,124.7 million from ₱6,037.1 million in 2021 to ₱4,912.4 million in 2022 due to lower trading gain recorded this year. In 2021, trading income was above normal levels due to the accommodative monetary policy that drove interest rates to very low levels.

Other Income – Power and Utility Operations

Other income from power and utility segment increased by 88.1% or ₱65.1 million from ₱73.9 million in 2021 to ₱139.1 million in 2022 due to higher interest income derived from trade receivables.

Other Income — Sugar Operations

Other income from sugar operations increased by 110.1% or ₱41.3 million from ₱37.5 million in 2021 to ₱78.8 million in 2022 due to higher scrap sales.

Costs

Costs of Sale of Lots, Condominium and Residential Units

Costs of sale of lots, condominium and residential units increased by 11.4% or ₱772.7 million from ₱6,748.4 million in 2021 to ₱7,521.1 million in 2022 due to higher real estate revenues realized during the year.

Costs of Mall and Rental Services

Costs of mall and rental services went up by 4.4% or ₱100.4 million from ₱2,266.1 million in 2021 to ₱2,366.5 million in 2022 due to higher direct operating expenses during the year on account of improving business activities in the retail segment.

Costs of Hospitality Operations

Hospitality cost of operations increased by 32.1% or ₱323.9 million from ₱1,010.3 million in 2021 to ₱1,334.2 million in 2022 due to higher cost of food and beverage, manpower costs, utilities, guest amenities and other direct expenses of operating departments which were all related to the increase in business volume, with the easing of travel restrictions, as aforementioned.

Costs of Banking and Financial Services

Costs of banking and financial services went up by 27.0% or ₱552.0 million from ₱2,041.9 million in 2021 to ₱2,593.8 million in 2022 due to higher cost of funding as a result of monetary policy tightening on interest rates.

Costs of Power and Utility Operations

Costs of power and utility operations increased by 60.5% or ₱3,280.6 million from ₱5,420.2 million in 2021 to ₱8,700.8 million in 2022 primarily due to higher fuel cost.

Costs of Sugar Operation

Costs of sugar operations remained almost flat at ₱3,554.8 million in 2022 from ₱3,520.1 million in 2021 despite lower sales volume. Operating costs such as fertilizers, fuel and labor increased because of higher prices.

Costs of Other Operations

Costs of other operations increased by 11.8% or ₱49.7 million from ₱420.5 million in 2021 to ₱470.3 million in 2022 due to translation adjustment for interest on foreign-currency denominated bonds payable.

Expenses

Real Estate Operations

Expenses of real estate operations went up by 7.2% or ₱432.2 million from ₱5,987.6 million in 2021 to ₱6,419.8 million in 2022 due to higher general and administrative expense particularly manpower costs, taxes and licenses and repairs and maintenance for managed projects. Likewise, selling and marketing expenses increased due to higher commission and sales generation activities which resulted to higher option sales for the year.

Hospitality Operations

Expenses of the hospitality business increased by 26.4% or ₱249.1 million from ₱943.3 million in 2021 to ₱1,192.4 million in 2022 due to higher manpower costs, utilities, outside services and credit card commission.

Banking and Financial Services

Expenses of the banking and financial services went up by 5.9% or ₱1,238.2 million from ₱20,859.7 million in 2021 to ₱22,097.8 million in 2022 due to higher manpower and IT-related expenses. Provisions for losses also increased due to the combined impact of higher loan volumes and residual effects of the pandemic on the consumer portfolio.

Power and Utility Operations

Power and utility segment's expenses increased by 6.7% or ₱142.2 million from ₱2,122.3 million in 2021 to ₱2,264.5 million in 2022 due to higher personnel costs and insurance-related expenses.

Sugar Operations

Expenses of the sugar business decreased by 9.8% or ₱17.5 million from ₱177.8 million in 2021 to ₱160.3 million in 2022 due to lower interest expense and taxes and licenses.

Other Operations

Expenses of other operations went up by 12.6% or ₱196.2 million from ₱1,559.5 million in 2021 to ₱1,755.7 million in 2022 due to higher external services and additional manpower.

Provision for Income Tax

Provision for income tax increased by 153.2% or ₱1,445.5 million from ₱943.4 million in 2021 to ₱2,388.9 million in 2022. Provision for deferred tax and current income tax rose by 202.7% and 62.8%, respectively. Lower tax provisions were registered in 2021 due to tax benefit recognized in accordance with the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

Net Income

As a result of the foregoing, consolidated net income decreased by 6.6% or ₱583.1 million from ₱8,885.7 million in 2021 to ₱8,302.7 million in 2022. Net income attributable to equity holders of the Parent decreased by 6.8% or ₱415.1 million from ₱6,065.8 million in 2021 to ₱5,650.7 million in 2022, while net income attributable to noncontrolling interest decreased from ₱2,820.0 million in 2021 to ₱2,652.0 million in 2022.

FINANCIAL CONDITION

As at December 31, 2022 Compared with As at December 31, 2021

	December 31		Increase (decrease)	
	2022	2021	Amount	%
ASSETS				
Cash and cash equivalents	71,311,956	123,074,981	(51,763,025)	-42.1%
Contracts receivables				
Real estate operations	9,739,631	8,767,809	971,822	11.1%
Hospitality operations	121,924	213,266	(91,342)	-42.8%
Banking and financial services	241,976,635	200,832,897	41,143,738	20.5%
Power and utility operations	3,679,767	2,589,622	1,090,145	42.1%
Sugar operations	101,803	87,335	14,468	16.6%
Financial assets at fair value through profit or loss	1,958,310	4,056,851	(2,098,541)	-51.7%
Financial assets at FVTOCI	17,377,325	42,286,875	(24,909,550)	-58.9%
Investment securities at amortized cost	63,546,191	20,815,382	42,730,809	205.3%
Contract Assets	7,609,532	8,897,517	(1,287,985)	-14.5%
Real estate inventories	79,659,361	77,528,774	2,130,587	2.7%
Coal, spare parts and other inventories	2,316,669	1,409,560	907,109	64.4%
Investment properties - net	95,503,366	92,063,056	3,440,310	3.7%
Property and equipment - net	44,716,866	43,261,910	1,454,956	3.4%
Investment in joint venture	1,948,608	1,524,195	424,413	27.8%
Deferred income tax assets - net	5,167,717	4,969,983	197,734	4.0%
Right Of Use	4,566,463	3,684,178	882,285	23.9%
Goodwill	10,381,152	10,381,152	-	0.0%
Other assets - net	25,137,333	23,130,843	2,006,490	8.7%
	686,820,609	669,576,186	17,244,423	2.6%

Assets

Total consolidated assets grew by 2.7% or ₱17,244.4 million from ₱686,820.6 million as of December 31, 2021 to ₱687,632.5 million as of December 31, 2022.

The following are the significant changes in account balances from December 31, 2021 to December 31, 2022:

Cash and cash equivalents decreased by 42.1% or ₱51,763.0 million from ₱123,075.0 million to ₱71,312.0 million as the Bank's funds were placed in higher yielding assets.

Loans and receivables of the real estate operations increased by 11.1% or ₱971.8 million from ₱8,767.8 million to ₱9,739.6 million due to increase in receivables from office tenants.

Loans and receivables of the hospitality segment decreased by 42.8% or ₱91.3 million from ₱213.3 million to ₱121.9 million due to higher level of collections.

Loans and receivables of the banking and financial services increased by 20.5% or ₱41,143.7 million from ₱200,832.9 million to ₱241,976.6 million mainly ascribed to higher consumer lending driven by the improvement in teachers' loan and credit cards, growing by 96% and 24%, respectively.

Loans and receivables of the power and utility operations went up by 42.1% or ₱1,090.1 million from ₱2,589.6 million to ₱3,679.8 million. Higher level of trade receivables was due to higher pass-through fuel cost and longer average collection period.

Loans and receivables of the sugar business increased by 16.6% or ₱14.5 million from ₱87.3 million to ₱101.8 million brought about by additional advances extended to sugar planters.

Financial assets at fair value through profit or loss decreased by 51.7% or ₱2,098.5 million from ₱4,056.9 million to ₱1,958.3 million due to movements in the Bank's proprietary trading portfolio shifting to build-up the Bank's accrual portfolio in line with the Bank's business models.

Financial assets at fair value through other comprehensive income was lower by 58.9% or ₱24,909.6 million from ₱42,286.9 million to ₱17,377.3 million due to movements in the Bank's proprietary trading portfolio shifting to build-up the Bank's accrual portfolio in line with the Bank's business models.

Investment securities at amortized cost increased by 205.3% or ₱42,730.8 million from ₱20,815.4 million to ₱63,546.2 million in line with the Bank's balance sheet business models.

Contract assets decreased by 14.5% or ₱1,288.0 million from ₱8,897.5 million to ₱7,609.5 million mainly due to increased collections, portfolio sale and extended payment terms granted to buyers.

Coal, spare parts and other inventories increased by 64.4% or ₱907.1 million from ₱1,409.6 million to ₱2,316.7 million due to higher coal prices and continued build-up of critical spare parts for plant maintenance as of reporting date.

Investments in joint ventures and associate increased by 27.8% or ₱424.4 million from ₱1,524.2 million to ₱1,948.6 million due to additional capital investment, offset by the proportionate share of the Bank in net loss and other comprehensive income.

Right-of-use assets went up by 23.9% or ₱882.3 million from ₱3,684.2 million to ₱4,566.5 primarily attributable to the Bank's renewal of various lease contracts.

Other assets went up by 8.7% or ₱2,006.5 million from ₱23,130.8 million to ₱25,137.3 due to additional input VAT and creditable withholding taxes.

	December 31		Increase (decrease)	
	2022	2021	Amount	%
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit liabilities	312,374,479	314,475,317	(2,100,838)	-0.7%
Bills and acceptances payable	6,761,456	98,150	6,663,306	6788.9%
Accounts payable and accrued expenses	40,303,983	34,499,848	5,804,135	16.8%
Contract Liabilities	3,923,011	3,485,311	437,700	12.6%
Long-term debt	137,224,888	137,379,449	(154,561)	-0.1%
Income tax payable	248,839	188,793	60,046	31.8%
Retirement Liabilities	1,671,162	1,501,973	169,189	11.3%
Lease liability	8,507,757	7,355,552	1,152,205	15.7%
Deferred income tax liabilities - net	10,132,992	9,480,885	652,107	6.9%
Total Liabilities	521,148,567	508,465,278	12,683,289	2.5%
EQUITY				
Equity attributable to equity holders of the parent				
Capital stock - 1 par value				
Authorized - 10,000,000,000 shares				
Issued and outstanding - 8,648,462,987 shares	9,319,872	9,319,872	-	0.0%
Treasury stock	(3,614,474)	(3,614,474)	-	0.0%
Additional paid-in capital	11,900,015	11,900,015	-	0.0%
Retained earnings	111,329,156	106,285,085	5,044,071	4.7%
Other comprehensive income				
Revaluation reserve on financial assets at FVTOCI	(1,326,191)	214,100	(1,540,291)	-719.4%
Share in other components of equity of associate	724	724	-	0.0%
Remeasurement gains (losses) on retirement plans	(186,845)	(223,775)	36,930	-16.5%
Cashflow hedge reserve	-	-	-	-
Translation adjustment	(159,838)	(305,031)	145,193	-47.6%
Total	127,262,419	123,576,516	3,685,903	3.0%
Noncontrolling interest	38,409,623	37,534,392	875,231	2.3%
Total Equity	165,672,042	161,110,908	4,561,134	2.8%
TOTAL LIABILITIES AND EQUITY	686,820,609	669,576,186	17,244,423	2.6%

Liabilities

Total consolidated liabilities increased by 2.5% from ₱508,465.3 million to ₱521,148.6 million.

The following are the significant changes in liability accounts from December 31, 2021 to December 31, 2022:

Bills and acceptances payable grew more than 67 times or a year-on-year increase of ₱6,663.3 million from ₱98.2 million to ₱6,761.5 million due to higher volume of short-term or repo borrowings as of year-end.

Accounts payable, accrued expenses and other liabilities increased by 16.8% or ₱5,804.1 million from ₱34,499.8 million to ₱40,304.0 million due to higher level of year-end accruals and higher volume of payables to contractors, vendors and suppliers.

Contract liabilities went up by 12.6% or ₱437.7 million from ₱3,485.3 million to ₱3,923.0 million due to the Bank's higher deferred revenues from credit card loyalty points, membership fees and dues.

Income tax payable increased by 31.8% or ₱60.0 million from ₱188.8 million to ₱248.8 million due to higher taxable income for the year.

Retirement liabilities increased by 11.3% or ₱169.2 million from ₱1,502.0 million to ₱1,671.2 million due to net retirement adjustment based on actuarial valuation.

Lease liabilities went up by 15.7% or ₱1,152.2 million from ₱7,355.6 million to ₱8,507.8 million primarily due to the Bank's renewal of various lease contracts.

Deferred tax liabilities increased by 6.9% or ₱652.1 million from ₱9,480.9 million to ₱10,133.0 million mainly due to the real estate segment's take up of additional deferred tax on capitalized borrowing costs.

Equity

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

On April 30, 2021, FDC's BOD approved the declaration and payment of cash dividends of ₱0.098 per share for every common share of record as of May 21, 2021. This was paid on June 15, 2021.

On June 22, 2020, FDC's BOD approved the declaration and payment of cash dividends of ₱1,196.9 million or ₱0.1384 per share for every common share of record as of July 22, 2020. This was paid on August 17, 2020.

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

Performance Indicators

	As of And For The Year Ended December 31, 2022		As of And For The Year Ended December 31, 2021	
Earnings Per Share - Basic (EPS)	₱0.653	/share	₱0.701	/share
Net Income (Attributable to Equity Holders of the Parent Company)	<hr/>			
Weighted Average Number of Outstanding Shares	<hr/>			
Price Earnings Ratio (PE Ratio)	9.83	Times	11.37	Times
Closing Price ⁽¹⁾	<hr/>			
EPS	<hr/>			
Return on Revenue	12%		14%	
Total Net Income	<hr/>			
Total Revenue	<hr/>			
Return on Equity (Average)	5%		6%	

	As of And For The Year Ended <u>December 31, 2022</u>		As of And For The Year Ended <u>December 31, 2021</u>	
<u>Total Net Income</u>				
Average Total Equity				
Assets to Equity Ratio	4.15	:1	4.16	:1
<u>Total Assets</u>				
Total Equity				
Debt to Equity Ratio				
a) <u>Long-term and Short-term Debt</u>	0.83	:1	0.85	:1
Total Equity				
b) <u>Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement Obligation and Finance Lease Liabilities</u>	1.16	:1	1.15	:1
Total Equity				
Current Ratio				
a) Including EW				
<u>Current Assets</u>	0.71	:1	0.94	:1
Current Liabilities				
b) Excluding EW				
<u>Current Assets</u>	2.18	:1	3.76	:1
Current Liabilities				
Quick Ratio – excluding EW	0.65	:1	1.36	:1
<u>Current Assets – Inventories</u>				
Current Liabilities				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	4.42	Times	4.47	Times
EBITDA				
Total Interest Expense ⁽²⁾				

(4) Closing prices at December 29, 2022 and December 29, 2021.

(5) Excluding financial liabilities on lease contract

Notes to Financial Statements and Other Disclosures

- The attached consolidated financial statements are prepared in compliance with PFRS. Except as disclosed in the Notes to the consolidated financial statements, the accounting policies and methods of computation followed in the financial statements for the year ended December 31, 2022 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2021.
- Except for the sugar business, the operating activities of the Company are carried out uniformly over the calendar year. The sugar milling season of the Company's sugar subsidiaries is usually from November to June of the following year. Except for this milling season, there are no other unusual operating cycles or seasons during the year.
- Except as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current

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

4. There are no changes in estimates of amounts reported in the previous period that have material effects in the current period.
5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the current period, except as discussed in the previous sections.
7. The Company derives its revenues from the following reportable segments:

Real Estate Operations

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

Hospitality Operations

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

Banking and Financial Services

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

Power and Utility Operations

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

Sugar Operations

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

Other Operations

This involves other operations of the Parent Company including FDCI, CTI, FDEV and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while CTI is engaged in providing computer and information technology services FDEV is organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

Financial information on the operations of these business segments as of and for the years ended December 31, 2022 and 2021 are summarized and included in the accompanying Notes to Consolidated Financial Statements.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to December 31, 2022 up to the date of this report that have not been reflected in the financial statements for the current period.
9. There have been no changes in the composition of the Company during the current period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management's Discussion on its Results of Operations.

10. There are no changes in contingent liabilities or contingent assets since December 31, 2022.
11. There are no material contingencies and any other events or transactions affecting the current period.
12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. Aside from the possible material increase in interest rates on the outstanding floating rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.
17. On known trends, events, or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations, the Company considers the following:

Seasonality

Except for the significant impact of COVID-19 pandemic to the Company's operations starting March 2020, there were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

For approval by the stockholders at their annual meeting in 2025

FILINVEST DEVELOPMENT CORPORATION

MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING

Held on 26 April 2024 at 9:00 a.m.
Conducted virtually *via* Microsoft Teams

I. ATTENDANCE

STOCKHOLDERS PRESENT/REPRESENTED:

Present by proxy	7,646,614,943	88.42%
Present by remote communication and voting <i>in absentia</i>	18	0%
Total Attendance	7,646,614,943	88.42%

ALSO PRESENT:

Board of Directors:

Name	Position / Board Committees
Mr. Jonathan T. Gotianun	Chairman of the Board Chairman– Executive Committee Member – Audit and Risk Management Oversight Committee Member – Compensation Committee Member – Corporate Governance Committee
Ms. Lourdes Josephine Gotianun-Yap	Vice Chairperson Officer Member – Executive Committee Member – Audit and Risk Management Oversight Committee Member – Compensation Committee
Ms. Rhoda A. Huang	President and CEO Member – Corporate Governance Committee Member – Related-Party Transaction
Mr. Francis Nathaniel C. Gotianun	Member – Executive Committee
Mr. Michael Edward T. Gotianun	Member – Executive Committee

Ms. Virginia T. Obcena	Independent Director Chairman – Audit and Risk Management Oversight Committee Member – Compensation Committee Member – Corporate Governance Committee Member – Related-Party Transaction Committee
Atty. Val Antonio B. Suarez	Independent Director Chairman – Compensation Committee Chairman – Corporate Governance Committee Chairman – Related-Party Transaction Committee Member – Audit and Risk Management Oversight Committee

Principal Officers Filinvest Development Corporation (FDC)

Name	Position
Mr. Ysmael V. Baysa	Executive Vice President, Chief Operations Officer
Mr. Brian T. Lim	Senior Vice President, Treasurer and Chief Finance Officer
Atty. Millette Asuncion-Arnedo	Senior Vice President, General Counsel and Compliance Officer
Atty. Lindeza R. Gavino	Corporate Secretary, Corporate Governance Lead
Atty. Ma. Ruiza R. Hernane	Assistant Corporate Secretary, Corporate Tax Legal Lead

Representatives of the Independent External Auditor – SyCip Gorres Velayo & Co.:

Michael C. Sabado
Wilson P. Tan
Martin C. Guantes
Jane Carol U. Chiu

Representative of the Stock Transfer Agent – Stock Transfer Service, Inc.

Joel S. Cortez

II. NATIONAL ANTHEM

The meeting started with the Philippine National Anthem.

III. PRESIDING OFFICER AND SECRETARY

The Chairman of the Board of Directors of Filinvest Development Corporation (the "Company" or "FDC"), Mr. Jonathan T. Gotianun, presided over the meeting, while the Corporate Secretary, Ms. Lindeza R. Gavino, recorded the minutes thereof.

IV. CALL TO ORDER

The Chairman called the meeting to order and introduced all the members of the Board of Directors present. The Chairman also noted that the Company's senior management officers, representatives of SGV & Co., the Company's external auditor, and representatives of Stock Transfer Service, Inc., FDC's stock transfer agent, are joining the meeting through the live webcast.

V. CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Chairman then requested the Corporate Secretary to report on the service of notice of the meeting, and whether there was a quorum at the meeting. The Corporate Secretary confirmed that, in accordance with the Securities and Exchange Commission ("SEC") Notice dated 23 February 2024, the notice of the meeting, together with a copy of the Information Statement and the Audited Financial Statements, was posted on the Company's website and disclosed through PSE EDGE on April 3, 2024. The Notice of Meeting was also published in the business sections of the Philippine Star and Manila Standard, on April 3 and 4, 2024, respectively, both in print and online.

Based on the online registration and report on proxies received by the Office of the Corporate Secretary, with the assistance of the Company's stock transfer agent, Stock Transfer Service, Inc., the Corporate Secretary certified that out of the 8,648,462,987 common shares as of the record date or on 29 March 2024, 7,643,614,961 shares representing 88.42% of the total issued and outstanding shares of the Company were present at the meeting.

There being a quorum, the Chairman declared the meeting duly convened and open for business.

VI. INSTRUCTIONS ON THE RULES AND CONDUCT OF VOTING PROCEDURES

The Chairman noted that the Company is holding the meeting in virtual format

to continuously ensure the safety and welfare of all stakeholders; however, the Company endeavored to provide the stockholders the same opportunity to participate in the meeting. Mr. Gotianun then asked the Corporate Secretary to share the rules of conduct and voting procedures for the meeting.

The Corporate Secretary explained that the rules of conduct and voting procedures were set forth in the Information Statement and in the Explanation of Agenda Items, which form part of the Notice of the Annual Stockholders' Meeting. Ms. Gavino highlighted the following points:

1. Stockholders who successfully registered under the shareholder registration system were provided with instructions to access the digital voting ballot as well as the virtual meeting.
2. The deadline for voting in absentia and through proxy was on 19 April 2024.
3. After the voting, the Office of the Corporate Secretary, together with the Company's stock transfer agent, tabulated all the votes cast in absentia as well as via proxy.
4. The results of the voting will be reported after each item is taken up during the meeting.
5. The stockholders were also given up to 17 April 2024 to submit any questions or comments they may have.

Ms. Gavino further informed all the participants of the meeting that there would be a visual and audio recording of the entire proceedings.

VII. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 28 APRIL 2023

The Chairman inquired if copies of the minutes of the annual meeting of the stockholders held on 28 April 2023 were furnished to the stockholders.

The Corporate Secretary certified that an electronic copy of the minutes was included in the Information Statement of this year's annual stockholders' meeting and was made available on the Company's website. Ms. Gavino reported that the resolution below was unanimously approved by all the stockholders or total voting shares represented in the meeting. The tabulation of votes is included herein for reference:

“RESOLVED, That the minutes of the annual meeting of the stockholders of the Company held on 28 April 2023 is hereby approved.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	7,646,614,943	-	-
Percentage of Votes	100%	-	-

VIII. PRESENTATION OF THE PRESIDENT'S REPORT

The President and Chief Executive Officer (“CEO”) of the Company, Ms. Rhoda A. Huang, presented her report on the Company's operations for the year ended 31 December 2023 and outlook for the year 2024.

Thereafter, Ms. Huang announced to the stockholders that the Board of Directors approved during its special meeting held before the Annual Stockholders' Meeting on 26 April 2024 the declaration of a cash dividend of P0.10346 per share. The record date of the said cash dividend is fixed on 20 May 2024, with payment date on 11 June 2024. The dividend constitutes a total cash declaration amounting to Php894,746,800.00, equivalent to 10% of the Company's 2023 Consolidated Net Income Attributable to the Parent Company in the amount of P8.94 Billion.

IX. APPROVAL OF THE LISTING OF THE PREFERRED SHARES

The Chairman asked the Corporate Secretary to give a background on the next agenda for which stockholders' approval is sought.

The Corporate Secretary explained that management had proposed, and the Board agreed, that the Corporation's preferred shares be listed. Ms. Gavino further elucidated by showing the resolution that was for approval, as follows:

*“**RESOLVED**, that Filinvest Development Corporation (the “Corporation”) be authorized to offer for sale the Company's preferred shares by way of public offering or private placement transaction and under terms and conditions that its Management may determine to be most beneficial to the Corporation;*

*“**RESOLVED FURTHER**, that the Corporation authorizes the follow on offering of the Company's preferred shares with a par value of ₱1.00 per share subject to the registration requirements of the Securities and Exchange Commission (“SEC”) and the listing requirements of the Philippines Stock Exchange (“PSE”) under terms and conditions as may be subsequently determined by persons authorized in the next paragraph;*

*“**RESOLVED FURTHER**, that the Company hereby delegates the authority to the Corporation's Management Team Members, namely, President and Chief Executive Officer, Ms. Rhoda A. Huang, and/or the Corporation's Chief Operations Officer, Mr. Ysmael V. Baysa and/or the Corporation's Chief Finance Officer, Mr. Brian T. Lim to: (a) determine relevant terms and conditions in accordance with market condition; (b) to further negotiate, agree on and approve the final terms and conditions of the offer share; and (c) engage the services of underwriters, advisors, legal counsels, stock and transfer agents, receiving agent/bank, and other parties as may be necessary, proper, or desirable to effect issuance and sale of the offer shares, registration and licensing of the Offer Shares with the SEC and listing of the Offer Shares with the PSE, under such terms and conditions as management may deem advantageous and to the best interest of the Company and as agreed upon by said parties’;*

*“**RESOLVED, FURTHERMORE**, that the Corporation authorizes the filing of the appropriate Registration Statement and Prospectus with the SEC and the filing of the listing application with the PSE for the Offer Shares and hereby authorizes the designation and appointment of the following persons, acting singly or jointly, as authorized signatories to the offer and sale of the Offer Shares, Registration Statement, and any other required documents with the SEC as well as the listing application and any other documents with the PSE, and such other forms, documents, contracts, and agreements necessary to effect the foregoing resolutions:*

<i>Name</i>	<i>Position</i>
<i>Rhoda A. Huang</i>	<i>President and CEO</i>
<i>Ysmael V. Baysa</i>	<i>Chief Operating Officer</i>
<i>Brian T. Lim</i>	<i>Treasurer and Chief Finance Officer</i>
<i>Lindeza R. Gavino</i>	<i>Corporate Secretary</i>

“RESOLVED, FINALLY, *that the Company approves and ratifies, any and all acts done by the Management of the Company or any of the authorized signatories in connection with the offer, registration and listing of the Offer Shares.”*

The Corporate Secretary reported that out of the 8,648,462,987 total outstanding shares, stockholders owning 7,641,971,573 shares, or more than two-thirds of the total outstanding shares or 88%, based on the following tabulation of votes, had approved the foregoing resolution as presented:

	FOR	AGAINST	ABSTAIN
Number of Shares Voted out of Total Outstanding Shares	7,641,971,573	4,643,370	-
Percentage of Votes out of Total Outstanding Shares	88.362%	0.0536%	-

With this, the aforementioned resolution is deemed passed.

X. RATIFICATION OF THE AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023

The Chairman asked the Corporate Secretary if the stockholders were furnished a copy of the 2023 Audited Financial Statements.

The Corporate Secretary confirmed that an electronic copy of the 2023 Audited Financial Statements was made available on the Company’s website as well as attached to the Information Statement. Ms. Gavino reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting, and the tabulation of votes is included below for reference:

“RESOLVED, That the Company’s Audited Financial Statements as of and for the year ended 31 December 2023 be approved, confirmed and ratified.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	7,646,099,210	-	515,733
Percentage of Votes	99.99%	-	0.01%

XI. RATIFICATION OF ALL THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, BOARD COMMITTEES AND MANAGEMENT UP TO 26 APRIL 2024

The next item in the agenda was the ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Board Committees and Management from the date of the last annual stockholders' meeting until 26 April 2024, a summary of which was included in the Information Statement sent to all the stockholders of record prior to the annual stockholders' meeting.

The Corporate Secretary reported that the resolution below was approved by an overwhelming majority of the stockholders and/or total voting shares represented in the meeting and the tabulation of votes is herein included in the minutes for reference:

“RESOLVED, That all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Board Committees and Management from the date of the last annual stockholders' meeting until 26 April 2024 are hereby approved, confirmed and ratified.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	7,646,099,210	-	515,733
Percentage of Votes	99.99%	-	0.01%

XII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS INCLUDING THREE (3) INDEPENDENT DIRECTORS TO SERVE FOR 2024 TO 2025

The Chairman announced that the next item in the Agenda is the election of nine (9) directors, including three (3) independent directors of the Company for the year 2024 to 2025.

As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors and/or independent directors of the Company and who were pre-screened by the Corporate Governance Committee, acting as the Nominations Committee, in accordance with the Company's Revised Manual on Corporate Governance and By-Laws, as follows:

Directors:

1. Mr. Jonathan T. Gotianun
2. Ms. Lourdes Josephine Gotianun-Yap
3. Ms. Rhoda A. Huang
4. Mr. Michael Edward T. Gotianun
5. Mr. Francis Nathaniel C. Gotianun
6. Ms. Isabelle Therese Gotianun Yap

Independent Directors:

7. Ms. Virginia T. Obcena
8. Atty. Marievic G. Ramos-Añonuevo
9. Ms. Mina C. Figueroa

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting. The tabulation of votes is included in the minutes as well for reference:

“RESOLVED, That the following persons are hereby declared as duly elected directors of the Company, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Company:

1. Mr. Jonathan T. Gotianun
2. Ms. Lourdes Josephine Gotianun-Yap
3. Ms. Rhoda A. Huang
4. Mr. Michael Edward T. Gotianun
5. Mr. Francis Nathaniel C. Gotianun
6. Ms. Isabelle Therese Gotianun Yap

Independent Directors:

7. Ms. Virginia T. Obcena
8. Atty. Marievic G. Ramos-Añonuevo
9. Ms. Mina C. Figueroa

Nominee	FOR	Percentage	AGAINST	Percentage	ABSTAIN	Percentage
Jonathan T. Gotianun	7,646,091,343	99.99%	91,500	0.001%	432,100	0.01%
Lourdes Josephine Gotianun-Yap	7,646,091,343	99.99%	91,500	0.001%	432,100	0.01%

Rhoda A. Huang	7,646,614,943	100%	-	-	-	-
Michael Edward T. Gotianun	7,646,614,943	100%	-	-	-	-
Francis Nathaniel C. Gotianun	7,646,614,943	100%	-	-	-	-
Isabelle Therese Gotianun Yap	7,646,614,943	100%	-	-	-	-
Virginia T. Obcena (Independent Director)	7,646,614,943	100%	-	-	-	-
Marieivic G. Ramos-Añonuevo (Independent Director)	7,646,614,943	100%	-	-	-	-
Mina C. Figueroa (Independent Director)	7,646,614,943	100%	-	-	-	-

XIII. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR

Upon the recommendation of the Company’s Audit and Risk Management Oversight Committee and confirmed by the Board of Directors, the stockholders approved the reappointment of the accounting firm of SyCip Gorres Velayo and Co. (“SGV”) as the Company’s external auditor for the year 2024, as follows:

“RESOLVED, That the accounting firm of SyCip Gorres Velayo and Co. (SGV & Co.) be approved for reappointment as the Company’s external auditor for the year 2024.”

The tabulation of votes for this matter is included below for easy reference:

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	7,646,099,210	515,733	-
Percentage of Votes	99.99%	0.01%	-

XIV. OTHER MATTERS

After confirming with the Corporate Secretary that there were no other matters that require consideration by the stockholders, the Chairman asked the Corporate Secretary if there were any questions received from the stockholders. The Corporate Secretary informed the Chairman that there were no questions received from the stockholders.

XV. ADJOURNMENT

There being no further business to transact, the Chairman declared the meeting adjourned. Mr. Gotianun conveyed his gratitude to the stockholders for attending the meeting and for their continued trust and confidence in the Company and the Management.

CERTIFIED CORRECT:


LINDEZA R. GAVINO
Corporate Secretary

ATTESTED BY:

JONATHAN T. GOTIANUN
Chairman of the Board

2025 ANNUAL STOCKHOLDERS MEETING
FILINVEST DEVELOPMENT CORPORATION
REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING *IN ABSENTIA*
AND PARTICIPATION BY REMOTE COMMUNICATION

I. REGISTRATION

Filinvest Development Corporation (the “Company”) established a designated website in order to facilitate the registration of and voting *in absentia* by the stockholders at the annual meeting, as provided under Sections 23 and 57 of the Revised Corporation Code.

- a. Stockholders as of 31 March 2025 may access the stockholder registration system at the web address:

FDC ASM Registration Form 2025

https://shareholders.filinvest.com.ph/FDC_SHAREHOLDERSYSTEM

FDC Ballot Form 2025

https://shareholders.filinvest.com.ph/FDC_ASMVOTING

The deadline for registration is 16 April 2025.

- b. To register, the stockholders are required to provide the following supporting documents:
- i. For Individual Stockholders:
 1. A scanned copy of the stockholder’s valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
 2. A valid and active e-mail address; and
 3. A valid and active contact number.
 - ii. For Individual Stockholders with Joint Accounts
 1. A scanned copy of an authorization letter signed by all stockholders, identifying who among them is authorized to cast the vote for the account;
 2. A scanned copy of the authorized stockholder’s valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
 3. A valid and active e-mail address; and
 4. A valid and active contact number.
 - iii. For Individual Stockholders under Broker Accounts –
 1. A broker’s certification on the stockholder’s number of shareholdings.

2. A scanned copy of the stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address; and
4. A valid and active contact number.

iv. For Corporate Stockholders

1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the corporation;
2. A scanned copy of a valid government-issued ID of the stockholder's representative showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address of the stockholder's representative; and
4. A valid and active contact number of the stockholder's representative.

Important Note: Incomplete or inconsistent information may result in unsuccessful registration. As a result, stockholders will not be able to access to vote electronically in absentia, but may still vote through a proxy, by submitting a duly accomplished proxy form on or before 16 April 2025.

- c. After registration, the Company, together with its stock transfer agent, Stock Transfer Service, Inc. (STSI) will conduct the validation process. Upon validation, the Company will send an email to the stockholder, which shall be sent to the email address of the stockholder indicated in the registration form, containing instructions for voting *in absentia* and remote attendance for the meeting.

II. ELECTRONIC VOTING IN ABSENTIA

- a. Registered stockholders have until 16 April 2025, 11:59 PM (Philippine time) to cast their votes *in absentia*.
- b. All agenda items indicated in the Notice of Meeting will be set out in the digital absentee ballot and the registered stockholder may vote as follows:
 - i. For items other than the election of directors, the registered stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the stockholder's shares.
 - ii. For the election of directors, the registered stockholder has the option to:
 1. Distribute his votes equally among all the candidates;
 2. Abstain;
 3. Cast such number of votes for each nominee as preferred by the stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. Should the votes cast by the stockholder exceed the number of votes he is entitled to, the votes for each nominee shall

be reduced in equal proportion, rounded down to the nearest whole number. Any balance shall be considered abstained.

Once voting on the agenda items is finished, the registered stockholder can proceed to submit the accomplished ballot by clicking the “Submit” button.

- c. The Office of the Corporate Secretary of the Company, with the assistance of representatives of the Company’s stock transfer agent, Stock Transfer Service, Inc. (STSI), will count and tabulate the votes cast *in absentia* together with the votes cast by proxy.
- d. During the meeting, the Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried out or disapproved. The total number of votes cast for each item for approval and/or ratification under the agenda will be shown on the screen.

III. PARTICIPATION BY REMOTE COMMUNICATION

- a. Prior to the meeting, the Company will send email instructions to those stockholders who have successfully registered, which shall be sent to the email address of the stockholder indicated in the registration form, on how they can attend the meeting through remote communication and have access to the livestream of the meeting.
- b. Only those stockholders who successfully registered in the stockholder registration system, together with the stockholders who voted *in absentia* or by proxy, will be included in determining the existence of a quorum.
- c. Stockholders may send any questions and/or comments relating to the agenda on or before 16 April 2025 to FDCASM@filinvestgroup.com. Questions or comments received on or before 16 April 2025 may be responded to during the meeting. Any questions not answered during the meeting may be answered *via* email.
- d. 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 Annual Stockholders’ Meeting and for all other purposes for which the stockholder can cast his/her/its vote as a stockholder of the Company.

For any clarifications, please contact us through FDCASM@filinvestgroup.com.