

PSE Number: _____
SEC Number: 109712
File Number: _____

PNB HOLDINGS CORP.

(Company's Full Name)

2/F PNB FINANCIAL CENTER,
PRES. DIOSDADOMACAPAGAL BLVD.,
BRGY. 76, PASAY CITY

(Company Address)

(632) 8814-1678

(Telephone Number)

December 31, 2024

(Year Ending)

Annual Report - SEC Form 17-A

(Form Type)

(Amendments – if applicable)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND
SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2024**
2. SEC Identification Number: **PW00001056**
3. BIR Identification No.: **000-169-158-000**
4. Exact name of the issuer as specified in its charter: **PNB HOLDINGS CORPORATION**
5. Province, Country or other jurisdiction of incorporation or organization: **METRO MANILA, PHILIPPINES**
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office and postal code: **2/F PNB FINANCIAL CENTER, PRES, DIOSDADO
MACAPAGAL BLVD., BRGY. 76, PASAY CITY**
8. Issuer's telephone number, including area code: **(632) 8814-1678**
9. Former name, former address, former fiscal year: **NOT APPLICABLE**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA:

As of April 18, 2024

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	469,321,000

Amount of debt outstanding: **P-0-**

11. Are any or all of these securities listed on a Stock Exchange?
Yes [] No [X]

Name of Stock Exchange: **Not Applicable**

Class of securities listed: **Not Applicable**

[xx] common shares have been listed with the Philippine Stock Exchange.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past 90 days:

Yes ☒ No ☐

13. Aggregate market value of the voting stock held by non-affiliates:

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

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

Yes ☐ No ☐ **Not applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2024 Audited Financial Statements (incorporated as reference for Items 1, 6, 7, 8, 10 & 12 of SEC Form 17-A)

TABLE OF CONTENTS

	Page No.
PART I – BUSINESS	
Item 1. Business	5
Item 2. Properties	10
Item 3. Legal Proceedings	12
Item 4. Submission of Matters to a Vote of Security Holders	12
PART II – SECURITIES OF THE REGISTRANT	
Item 5. Market for Issuer's Common Equity and Related Stockholder Matters	13
PART III – FINANCIAL INFORMATION	
Item 6. Management's Discussion and Analysis and Results of Operation	15
Item 7. Financial Statements	21
Item 8. Information on Independent Accountant and Other Related Matters	21
PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS	
Item 9. Directors and Executive Officers of the Issuer	21
Item 10. Executive Compensation	29
Item 11. Security Ownership of Certain Beneficial Owners and Management	31
Item 12. Certain Relationships and Related Transactions	32
PART V – CORPORATE GOVERNANCE	
Item 13. Compliance with Leading Practice on Corporate Governance	35
EXHIBITS AND SCHEDULES	
Item 14. Exhibits and Reports on SEC Form 17-C	35
(a) Exhibits	
(b) Reports on SEC Form 17-C	
SIGNATURES	36
INDEX TO EXHIBITS	37
INDEX TO SUPPLEMENTARY SCHEDULES	38

PART I - BUSINESS

Item 1. Business

Corporate Information

PNB Holdings Corporation (the “Company”) was incorporated in the Philippines on May 20, 1920 to invest, subscribe for, sell, transfer, exchange or otherwise dispose of all kinds of stocks, bonds, certificates of deposit, contract of instruments whatsoever representing evidence of title or interest in the capital of any property or assets and leases of all kinds.

The Revised Corporation Code, Republic Act No. 11232, which took effect in 2019 provides that corporations with certificates of incorporation issued prior to the effectivity of this Code, and which continue to exist, shall have perpetual existence, unless the corporation, upon a vote of its stockholders representing a majority of its outstanding capital stock, notifies the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation.

On October 9, 2020, the Company’s Board of Directors (BOD) and stockholders approved the amendments to the secondary purposes of the Company to invest and acquire by purchase, transfer, exchange or otherwise, to own, use, improve, develop, operate, sell, assign, transfer, exchange, lease, mortgage, pledge, and the like, any or all properties of every kind and description and wherever situated and as to the extent permitted by law (including but not limited to real estate, and any right or interest therein), to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to develop, conduct, operate and maintain the real estate business, such as but not limited to the operation, maintenance of commercial spaces for rent, to construct, erect, manage, and administer buildings for commercial, residential, or mixed use purposes to engage in any and all kinds of real estate business. This was subsequently approved by the Philippine Securities and Exchange Commission (SEC) on January 13, 2021.

On October 20, 2020, the Company’s BOD and stockholders approved the increase of its authorized capital stock from ₱500.0 million divided into 5.0 million shares with a par value of ₱100.0 per share to ₱50,500.0 million divided into 505.0 million shares with a par value of ₱100.0 per share. On December 11, 2020, the Company filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the SEC on January 13, 2021. Out of the increase in the authorized capital stock of 500.0 million shares, 466.8 million with a par value of ₱100.0 per share have been subscribed by Philippine National Bank (PNB) through the exchange of real estate properties. This resulted to the Company becoming a wholly owned subsidiary of the bank.

On April 23, 2021, PNB’s BOD approved the property dividend declaration of up to 239,353,710 common shares of PNB Holdings Corporation, representing 51.00% ownership, with a par value of ₱100 per share, to all stockholders of record as of May 18, 2021, or ₱23.9 billion. On December 24, 2021, the Philippine SEC issued a Certificate of Filing the Notice of Property Dividend Declaration.

The Company’s intermediate parent company is LT Group Inc., a publicly-listed company incorporated and domiciled in the Philippines. The Company’s ultimate parent company, Tangent Holdings Corporation, is incorporated in the Philippines.

Products / Business Lines

PHC owns the PNB Financial Center in Pasay City, the PNB Makati Center within the Makati Central Business District, and the 8,000-sqm. prime lot (the “PHC Buendia Property”) at the intersection of Sen. Gil J. Puyat Avenue (formerly named Buendia Avenue) and Paseo de Roxas in Makati City, among other investment properties. The combined estimated market value of these three properties is PHP80.9 billion (USD1.4 billion at an exchange rate of PHP 57.845/USD1.00),

PHC is backed by one of the country’s largest conglomerates, the Lucio Tan Group, which has interest in the airline, beverages, tobacco, property development, and banking business, among others. As part of its overall business strategy, PHC seeks to partner with strategic investor(s) who can contribute their property development expertise and track-record, as well as financial resources to develop and transform these prime properties to their potential highest and best use.

Current Operations

PNB Holdings Corporation operates through several key projects, each encompassing multiple business segments. These segments include Office Space Leasing, Retail or Commercial Space Leasing, Co-working Space, Parking Concession Business, and Events Place.

PNB Makati Center

PNB Makati Center is a flagship project located in the central business district of Makati. This project includes:

- Office Space Leasing: Offering almost 30,000 sqm of leasable office space, catering to businesses and organizations that need a physical location for their operations.
- Retail or Commercial Space Leasing: Providing commercial spaces for retail stores, restaurants, and other enterprises that rely on foot traffic and visibility.
- Co-Working Space: Featuring the SPACES Co-working Centers managed by the internationally-renowned flexible co-working spaces operator IWG, which offer flexible workspaces for various professionals.

PNB Financial Center

PNB Financial Center stands as an iconic brutalist-style office complex, masterfully designed by the renowned Architect Gabriel Formoso. Strategically situated along Diosdado Macapagal Boulevard in the vibrant Manila Bay area of Pasay City, this prime property boasts a massive land area of 99,999 square meters. This project encompasses:

- Office Space Leasing: With a total leasable area of almost 90,000 sqm, it provides office spaces for large corporate buildings and smaller offices.
- Retail or Commercial Space Leasing: Offering commercial spaces that reflect the demand for prime locations.
- Parking Concession Business: Including parking facilities to support the needs of tenants and visitors.
- Events Place: Providing venues for various events, equipped with necessary amenities.

The location of PNB Financial Center is unparalleled, offering exceptional accessibility through both private and public transport. It is conveniently located near the Ninoy Aquino International Airport. Additionally, the complex is surrounded by a plethora of cultural and historical tourist attractions, as well as bustling business and entertainment hubs.

As a cornerstone of the buzzing Bay area, PNB Financial Center exemplifies PNB Holdings' strength and commitment to providing top-tier real estate solutions. Its prime location and expansive property make it a standout choice for businesses seeking a prestigious and highly accessible office space. The Financial Center is home to the Philippine National Bank, as well as government agencies and international organizations such as the US Peace Corps and the Commission on Appointments.

Prime Lot in Buendia

Prime Lot in Buendia is a strategic property located along Buendia Avenue (Sen. Gil Puyat Avenue) in Makati. This project includes:

- Parking Concession Business: Potential for developing parking facilities to cater to the needs of businesses and visitors in the area.

At the prestigious intersection of Sen. Gil Puyat Avenue (formerly Buendia Ave.) and Paseo de Roxas lies an 8,000 sqm lot poised to host the country's tallest building. This iconic superstructure will not only redefine the Makati skyline but also bring immense pride to the Philippines. Envisioned with sustainable features and cutting-edge architectural design, this landmark development will offer a blend of luxury office spaces, branded hotels for discerning individuals, branded residences, and a luxury retail podium. It promises to be a premier destination for those seeking a luxurious lifestyle, high-end workspaces, and elite living spaces. This project is set to become a beacon of innovation and elegance, attracting top-tier businesses and individuals who value excellence and sophistication.

In 2024, PNB Holdings Corporation posted gross revenue of P1.337 billion pesos. The biggest contributor to the company's 2024 revenue was the Financial Center, generating 70% of the total revenue. Makati Center contributed 26% of total revenue.

To sustain revenue growth, the Leasing Department has actively renewed relationships with various institutional brokers while maintaining open lines of communication with existing brokers. The Leasing team also continued to search for companies that are actively looking for spaces in the Ayala and Pasay locations. Additionally, much-needed repair works were introduced on the Makati and Pasay properties to enhance their competitiveness in the market.

Development of the business of the registrant and its key operating subsidiaries/associates and joint ventures during the past three years

The Company has no operating subsidiaries/associates or joint venture during the past three years.

Bankruptcy, Receivership, or Similar Proceedings

None for any of the subsidiaries and affiliates above.

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

None during the past three years.

Competition

PHC has different competitors in each of its principal business lines.

Office Space Leasing PNB Holdings Corporation (PHC) faces competition in the office space leasing market from several key players in Makati and Pasay. The PNB Makati Center, located on Ayala Avenue, is a prime property offering excellent accessibility and is home to industry leaders such as Asia Brewery Inc., Emapta Philippines, and Allianz PNB. However, it competes with other premium office spaces in the Makati Central Business District, such as those offered by Ayala Land and other major developers. The PNB Financial Center in Pasay, designed by Architect Gabriel Formoso, also competes with other office complexes in the Manila Bay area, which are strategically located near the Ninoy Aquino International Airport and key business hubs.

Retail Space Leasing In the retail space leasing segment, PHC's properties, such as the PNB Makati Center and PNB Financial Center, compete with other commercial spaces in shopping centers and malls within the Makati and Pasay areas. The demand for retail spaces is driven by foot traffic and visibility, and PHC's properties are strategically located to attract businesses. However, they face competition from established retail spaces in popular shopping districts and commercial centers such as Greenbelt and Ayala Triangle.

Co-Working Office Space in Makati Center The co-working office space market in Makati Center is highly competitive, with several players offering flexible workspaces. The SPACES co-working Centers at PNB Makati provide shared office environments with amenities such as high-speed internet, meeting rooms, and communal areas. However, they compete with other co-working spaces in the area, such as those offered by WeWork, Regus, and other local providers. The rise of remote work and the gig economy has increased the demand for co-working spaces, making this segment particularly competitive.

Events Place in Macapagal Area The PNB Financial Center, located on Diosdado Macapagal Boulevard in Pasay City's Manila Bay area, offers event spaces for conferences, meetings, weddings, and other gatherings. These event spaces compete with other venues in the Macapagal area, including hotels, convention centers, and dedicated event venues. The proximity to the Ninoy Aquino International Airport and key business and entertainment hubs makes the PNB Financial Center an attractive option for event organizers. However, the competition is fierce, with many venues offering similar amenities and services.

Suppliers

PHC has established a broad base of both local and foreign suppliers, ensuring a diverse and reliable supply chain. This strategic approach minimizes dependency on any single or limited number of suppliers, thereby reducing risks associated with supply disruptions. The company engages with a variety of suppliers for different needs, including construction materials, office supplies, and specialized services.

Customers

PHC serves a wide market base that includes both local and foreign individual and institutional clients. This diverse customer base allows the company to mitigate risks associated with market fluctuations and economic downturns. Notably, PNB Bank is a significant customer, accounting for twenty percent (20%) or more of PHC's revenues. PNB Bank's headquarters is located in PHC's Financial Center property on Macapagal Boulevard.

Transactions with Related Parties

For detailed information on transactions with related parties, please refer to Item 12 of this report, titled "Certain Relationships and Related Transactions." This section provides comprehensive insights into the nature and extent of transactions with entities that have a significant relationship with PHC.

Government Approvals/Regulations

PHC secures various government approvals as part of its regular business operations. These include business permits, construction permits, and other regulatory approvals necessary for the development and management of its properties. The company ensures compliance with all relevant local and national regulations to maintain smooth and lawful operations.

Employees

PHC had a total workforce of 96 regular employees as of December 31, 2024. The breakdown of PHC's employees according to category is as follows:

Senior Management	17
Middle Management	22
Staff	39
Total	78

Employees take pride in working for PHC because of the company's long history of bringing high-quality developments to the Philippines. With the growth of the business, career advancement opportunities are created for employees. These attributes positively affect employee engagement and retention.

PHC leadership development program and other learning interventions reinforce PHC's operating principles and provide participants with tools and frameworks to help them develop effective leadership skills and desired qualities. The programs are also venues for building positive relations and managing networks within the LTG Group.

PHC has a healthy relationship with its employees. It has no union as of date. Both parties openly discuss employee concerns without the necessity of activating the formal grievance procedure.

Further, employees can report fraud, violations of laws, rules and regulations, or misconduct in the organization through reporting channels under various Good Governance policies of the company.

Risks

In 2024, PHC experienced a notable improvement in its overall risk rating compared to 2023 operations, which were impacted by the pandemic period. This positive change was attributed to the effective management and tracking of all significant risks, resulting in a reduction in both their likelihood and severity. Despite this progress, PHC remained vigilant in implementing its mitigation and control measures. The company also continued to monitor economic and government policy risks that could potentially impact its business in both the near and distant future.

PHC has an Enterprise Risk Management (ERM) program that is a fundamental part of its business discipline. This program enables the company to identify, assess, and prioritize risks effectively. It also determines key mitigation strategies and assigns senior-level risk champions for each key risk to ensure accountability across various business units.

The ERM program is a multi-step interactive process that begins with each business unit performing a thorough risk assessment. The assessment is led by the business unit head, who provides insights and prioritizes the risks identified by the unit. These assessments are then consolidated by the Chief Risk Officer (CRO) and undergo a cross-functional review by the Audit and Risk Management Committee (ARMC). The ARMC, composed of directors having backgrounds from various business lines, adopts a multi-disciplinary and holistic approach to evaluating risks. They hold cross-functional discussions to better understand the interdependencies and interrelationships of risks. Most importantly, the ARMC establishes and agrees on the key risks that the business is facing.

The Chief Risk Officer (CRO) reports the outcomes of these discussions to senior management. The objective of this report is to prioritize the risks, identify mitigating measures, comprehend emerging risks, and agree on opportunities to be pursued. The report is summarized and presented to the ARMC. To ensure that the risks are up-to-date and relevant, PHC undergoes a comprehensive review of its risk universe every two years or as needed.

The PHC Board of Directors oversees the management of strategic, operational, financial, and compliance-related risks, with input from the ARMC. PHC continues to track other key risks by conducting periodic review sessions with its strategic business units (SBUs). Listed below are the more significant risks identified from these sessions:

Business and Operational Risks

- **Implementation of Business Plans and Strategies:** There is no guarantee that PNB Holdings Corp will successfully execute its business plans and strategies, particularly for the redevelopment of its properties. This risk is inherent in any business plan, as unforeseen challenges and market conditions can impact the implementation process.
- **Market Absorption:** The redevelopment of the company's properties into mixed-use luxury developments is subject to the market absorption of such products as consumers deal with hyper supply in condominium units in the Philippines. This means that a change in market condition, particularly in the supply side can significantly affect the company's financial performance.
- **Regulatory Environment:** Operating in a highly regulated environment, the company is affected by the development and application of regulations in the Philippines. Changes in regulations can impact the company's operations and compliance requirements.
- **Financing:** The ability to obtain financing at favorable terms and interest rates is crucial for the company's growth and operations. Difficulty in securing financing can hinder the company's ability to execute its plans.
- **Interest and Exchange Rates:** There is a possibility of rapid increases in interest rates and fluctuations in foreign exchange rates. These changes can affect the company's borrowing costs and financial stability.
- **Competition:** The company faces significant competition in the real estate industry. Competitors may offer better products, services, or pricing, which can impact the company's market share and profitability.
- **Project Delays:** Delays in project completion due to either force majeure or disruption in supply chain could harm the company's reputation and financial performance. Timely delivery of projects is essential for maintaining customer trust and satisfaction.
- **Cyclicity:** The property development business is cyclical, meaning it is subject to economic cycles that can impact demand and profitability.

- **Accounting Principles:** Changes in accounting principles for real estate may affect revenue recognition and unrestricted retained earnings. This can impact the company's financial statements and reported earnings.
- **Insurance:** There is no assurance that insurance rates and coverage will remain the same, and available coverage may not be adequate in the future. This can expose the company to financial risks in case of unforeseen events.
- **Suppliers and Service Providers:** Dependence on key suppliers and service providers is critical for successful plan implementation. Any disruption in the supply chain can impact the company's operations.
- **Management and Employees:** The company relies on its management team and key employees to implement its strategies successfully. Loss of key personnel can affect the company's ability to execute its plans.
- **Skilled Professionals:** Attracting and retaining skilled professionals may be challenging. The company's success depends on having a talented workforce.

Technological and Cybersecurity Risks

- **Cybersecurity:** PNB Holdings Corp may be exposed to cybersecurity incidents and information security risks. Cyberattacks can lead to data breach, financial losses, and reputational damage.
- **Technology Dependence:** The company relies on technology in certain business operations and compliance matters and uses it to differentiate its developments from competitors. Any disruption in technology can impact the company's operations and competitive advantage.

Compliance and Legal Risks

- **Related Party Transactions:** The company enters into transactions with related parties and must comply with regulations on related party transaction disclosures. Non-compliance can lead to legal and regulatory issues.
- **Legal Proceedings:** The company may be involved in legal and other proceedings arising from its operations from time to time. Legal disputes can result in financial liabilities and reputational damage.

Market and Economic Risks

- **Sale Cancellations:** There is a risk of substantial sale cancellations. This can impact the company's revenue and financial performance.
- **Tax Policies:** Changes in tax policies affecting tax exemptions and incentives could adversely affect the company's results of operations. Tax policy changes can impact the company's profitability and cash flow.

Ownership and Control Risks

- **Control by Tan Family:** The company, which is engaged in real estate development, is indirectly controlled by the Tan Family. This concentration of ownership can impact decision-making and corporate governance.

These risks highlight the various challenges and uncertainties that PNB Holdings Corp may face in its operations and business environment. It is essential for the company to have robust risk management strategies in place to mitigate these risks and ensure sustainable growth and success.

Working Capital

PHC finances its working capital requirements through internally generated cash. The company continued to be debt free as of 31, 2024.

Item 2. Properties

Description of Properties

PNB Financial Center

PNB Financial Center stands as an iconic brutalist-style office complex, masterfully designed by the renowned Architect Gabriel Formoso. Strategically situated along Diosdado Macapagal Boulevard in the vibrant Manila Bay area of Pasay City, this prime property boasts a massive land area of 99,999 square meters.

The location of PNB Financial Center is unparalleled, offering exceptional accessibility through both private and public transport. It is conveniently located near the Ninoy Aquino International Airport. Additionally, the complex is surrounded by a plethora of cultural and historical tourist attractions, as well as bustling business and entertainment hubs.

As a cornerstone of the buzzing Bay area, PNB Financial Center exemplifies PNB Holdings' strength and commitment to providing top-tier real estate solutions. Its prime location and expansive property make it a standout choice for businesses seeking a prestigious and highly accessible office space. The Financial Center is home to the Philippine National Bank, as well as government agencies and international organizations such as the US Peace Corps and the Commission on Appointments.

Property Features	Description
Gross Leasable Area	88,519 sqm
Typical Floor Plate	7,068.03 sqm
No. of Floors	11 Floor, Roof deck
Floor Efficiency	88% (Typical, 4F to 11F)
Hand Over Condition	Warm shell
AC System	Centralize AC System (Chilled water)
Elevators	10 Passenger, 2 Service elevator, 2 Executive elevators
Back-up Power	30% for Common Area
Ceiling Height	3.83 meters
Telecommunication	PLDT/Globe/Smart/Eastern
Parking	Basement and Outdoor Parking Available

PNB Makati Center

PNB Makati Center is a distinguished 13-storey concrete building designed by the esteemed Architect Carlos Arguelles in the iconic brutalist style. Located along Ayala Avenue, one of the most coveted business addresses in the Philippines, this prime property stands directly across from Ayala Triangle in the heart of the Makati Commercial Business District.

The building's strategic location ensures exceptional accessibility through both private and public transport, making it an ideal choice for businesses seeking a prestigious and convenient office space. PNB Makati Center's proximity to key commercial establishments, financial institutions, and cultural landmarks further enhances its appeal as a premier business hub.

As a testament to PNB Holdings' commitment to excellence in real estate, PNB Makati Center offers a blend of architectural significance and prime location, making it a standout choice for discerning businesses.

The building is home to industry leaders such as Allianz, Asia Brewery Inc., and Emapta Philippines, further solidifying its status as a premier business address.

Property Features	Description
Gross Leasable Area	36,677.64
Typical Floor Plate	2,640.80
No. of Floors	12 Floor, Penthouse, Basement
Hand Over Condition	Warm shell
AC System	Centralize AHU
Elevators	6 Passenger, 1 Freight
Back-up Power	100%
Ceiling Height	3 meters
Telecommunication	PLDT/Globe/Rise/Infinivan
Parking	5-level concrete parking

PHC Buendia Property

At the prestigious intersection of Sen. Gil Puyat Avenue (formerly Buendia Ave.) and Paseo de Roxas lies an 8,000 sqm lot poised to host the country's tallest building. This iconic superstructure will not only redefine the Makati skyline

but also bring immense pride to the Philippines.

Envisioned with sustainable features and cutting-edge architectural design, this landmark development will offer a blend of luxury office spaces, branded hotels for discerning individuals, branded residences, and a luxury retail podium. It promises to be a premier destination for those seeking a luxurious lifestyle, high-end workspaces, and elite living spaces.

This project is set to become a beacon of innovation and elegance, attracting top-tier businesses and individuals who value excellence and sophistication.

Item 3. Legal Proceedings

There are no legal cases currently pending in any court as of the date of this Report. However, there is an ongoing AdHoc Arbitration against MPower for the recovery of overpayments related to fuel cost recovery adjustment.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual Meeting of Stockholders, no other matter was submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

Not Applicable as Issuer's securities are not yet listed in PSE.

Stockholders

As of 18 March 2025, the Corporation has 678 shareholders owning 469,321,000 common shares. The top 20 stockholders are as follows:

<u>Stockholders' Name</u>	<u>No. of Common Shares Held</u>	<u>% to Total</u>
Philippine National Bank	276,334,773	58.88%
Key Landmark Investments, Ltd.	20,909,562	4.46%
True Success Profits Limited	12,867,423	2.74%
Caravan Holdings Corporation	12,867,423	2.74%
Solar Holdings Corporation	12,867,423	2.74%
Prima Equities & Investments Corp	11,258,995	2.40%
Leadway Holdings, Inc.	10,246,354	2.18%
Infinity Equities, Inc.	9,650,567	2.06%
Pioneer Holdings Equities, Inc.	5,374,037	1.15%
Multiple Star Holdings Corp.	4,831,827	1.03%
Donfar Management Limited	4,823,942	1.03%
Uttermost Success Limited	4,743,207	1.01%
Mavelstone International Limited	4,639,956	0.99%
Pan Asia Securities Corporation	4,608,107	0.99%
Kenrock Holdings Corp.	4,081,927	0.87%
Fil-Care Holdings, Inc.	3,992,923	0.85%
Fairlink Holdings Corp.	3,954,773	0.84%
Purple Crystal Holdings, Inc.	3,828,781	0.82%
Kentron Holdings & Equities Corp.	3,821,957	0.81%
Fragile Touch Investments Ltd.	3,560,727	0.76%

* The Corporation has no preferred shares.

Dividend

a.) Dividend declaration

The Corporation did not declare dividends in the past three (3) years.

b.) Dividend Policy

Under the Amended By-laws of the Company, dividends shall be declared and paid out of the Unrestricted Retained Earnings of the Company, which dividends shall be payable in cash, property or stock dividend to all stockholders of record at such times as the Board of Directors may determine and in accordance with applicable laws and regulations.

Shareholders shall have the right to receive dividends subject to the discretion of the Board. Dividends are distributed from the Unrestricted Retained Earnings of the Corporation. A corporation is not allowed to retain any such earnings in excess of 100% of its paid-in capital stock, except:

1. when justified by definite corporate expansion projects;
2. when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or,
3. when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

c.) Restrictions that limit the ability to pay dividends on common equity or that are likely to happen in the future.

There are no restrictions that limit the Company's ability to pay dividends apart from the requirement of law that the Company should have unrestricted retained earnings.

Recent Sale of Securities

There are no recorded sales of unregistered securities during the past three years.

Corporate Governance

The Board of Directors at PHC is entrusted with the responsibility of setting the Company's vision, strategic objectives, and key policies. They establish procedures for effective management and ensure the presence and sufficiency of internal control mechanisms to uphold good governance. Additionally, the Board monitors and evaluates the performance of the Management to ensure alignment with the Company's goals.

PHC's commitment to continuous improvement is demonstrated through the annual self-assessments conducted by the Board and its Committees. This rigorous exercise evaluates their performance and identifies areas for enhancement. Each director is expected to assess themselves and the Board as a whole on a wide range of topics, including composition, roles and functions, information management, representation of shareholders, ESG factors, company performance management, senior executives' performance management, succession planning, director development and management, risk management, internal controls, overall perception, and individual performance.

The Chief Compliance Officer (CCO) conducts the tally of these assessments and sends the results to the Corporate Secretary for presentation and action. Additionally, the CCO regularly reviews the assessment questionnaire to ensure its relevance and appropriateness to the responsibilities and processes of the Board and its Committees. The committee assessments cover key responsibilities, the quality of the relationship between the Board and Management, the effectiveness of processes and meetings, and individual performance.

The Board and Committee self-assessments are vital for improving corporate governance practices and ensuring that PHC's leadership remains effective, accountable, and committed to excellence. A summary of the annual board self-assessment scores is available on the Company website.

There have been no deviations from the Company's Manual of Corporate Governance. PHC has adopted leading practices and principles of good corporate governance as outlined in the Manual, and full compliance has been maintained since its adoption.

The Company is also taking further steps to enhance adherence to the principles and practices of good corporate governance. These efforts are aimed at ensuring that PHC continues to uphold the highest standards of governance, thereby fostering trust and confidence among its stakeholders.

PART III – FINANCIAL INFORMATION

Item 6. Management’s Discussion and Analysis of Financial Condition and Results of Operation

3.1. RESULTS OF OPERATIONS

The following discussion and analysis of the Corporation’s financial condition and results of operations should be read in conjunction with the consolidated financial statements as at December 2024, 2023 and 2022 included in this report.

2024 vs 2023

<i>Amount in Thousands</i>	Audited 2023	Audited 2024	Change in 2024	% Change in 2024
Revenue	1,394,790	1,337,451	(57,339)	-4%
Direct Cost	609,031	575,053	(33,978)	-6%
Gross Profit	785,759	762,398	(23,361)	-3%
Operating Expenses	95,028	180,393	85,365	90%
Other Income Net of Finance Charges	49,288	94,016	44,728	91%
Earnings bef Inc Tax (EBIT)	740,019	676,022	(63,997)	-9%
Income Tax	130,501	147,032	16,531	13%
Net Income after tax (NIAT)	609,518	528,990	(80,529)	-13%
Other Comprehensive Income	10,287	45,687	35,400	344%
Total Comprehensive Income	619,805	574,676	(45,129)	-7%
EBITDA	901,172	850,538	(50,634)	-6%

Revenues – In 2024, the company posted gross revenue of P1.34 billion, which is lower by P57.34 million or 4% compared to P1.39 billion last year. The decrease is mainly due to a drop in occupancy from 95% in 2023 to almost 83% in 2024.

Direct Costs – The company’s direct costs for 2024 amounted to P575.05 million which is 6% or P33.98 million lower than the P609.03 million in 2023. The decrease is mainly due to lower outside services and repairs and maintenance, as a result of the cost minimization strategy.

Operating Expenses – The company’s operating expenses for 2024 amounted to P180.39 million, this is higher by P85.37 million or 90% from P95.03 million in 2023. The increase is due to higher depreciation expenses, taxes and licenses, service fee, and personnel costs.

Other Income – This refers mostly to interest income from bank placements. In 2024, it increased by P44.73 million or 91% due to higher volume of investment and interest rate at average of 5.95%.

Profitability Metrics: Given the above discussion, the profitability metrics are as follows: (1) the 2024 Gross Profit of the company is P762.40 million. This is slightly lower by P23.36 million or 3% compared to 2023, (2) EBIT is P676.02 million in 2024 from P740.02 million in 2023, (3) NIAT is P528.99 million in 2024 from P609.52 million in 2023, and (4) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is P850.54 million in 2024 from P901.17 million in 2023.

Vertical Analysis (% of Rev)	Audited 2023	Audited 2024
Revenue	100%	100%
Direct Cost	44%	43%
Gross Profit	56%	57%
Operating Expenses	7%	13%
Other Income Net of Finance Charges	4%	7%
Earnings Before Income Tax (EBIT)	53%	51%
Income Tax	9%	11%
Net Income after tax (NIAT)	44%	40%
Other Comprehensive Income	1%	3%
Total Comprehensive Income	44%	43%
EBITDA	65%	64%

Profitability Ratios: Because of lower revenue and lower direct cost, Gross Profit margin is higher, from 56% in 2023 to 57% in 2024. However, due to higher operating expenses, 2024 EBIT margin is down to 51% from 53% in 2023; 2024 NIAT margin is down to 40% from 44% in 2023; 2024 Total Comprehensive Income margin is slightly lower to 43% from 44% in 2023; and 2024 EBITDA margin is slightly lower to 64% from 65% in 2023.

2023 vs 2022

Amount in Thousands	Audited 2022	Audited 2023	Change in 2023	% Change in 2023
Revenue	1,421,787	1,394,790	(26,997)	-2%
Direct Cost	576,818	609,031	32,213	6%
Gross Profit	844,970	785,759	(59,210)	-7%
Operating Expenses	32,534	95,028	62,494	192%
Other Income Net of Finance Charges	76,043	49,288	(26,755)	-35%
Earnings Before Income Tax (EBIT)	888,479	740,019	(148,459)	-17%
Income Tax	221,611	130,501	(91,110)	-41%
Net Income after tax (NIAT)	666,867	609,518	(57,349)	-9%
Other Comprehensive Income	39,795	10,287	(29,508)	-74%
Total Comprehensive Income	706,662	619,805	(86,857)	-12%
EBITDA	1,048,748	901,172	(147,576)	-14%

Revenues – In 2023, the company posted gross revenue of P1.39 billion, which is lower by P27.00 million or 2% compared to P1.42 billion last year. The decrease is mainly due to a drop in occupancy from 100% in 2022 to 95% in 2023.

Direct Costs – The company's direct costs for 2023 amounted to P609.03 million which is 6% or P32.98 million higher than the P576.82 million in 2022. The increase is mainly due to higher outside services and taxes & licenses.

Operating Expenses – The company's operating expenses for 2023 amounted to P95.03 million, this is higher by P62.49 million or 192% from P32.53 million in 2022. The increase is due to higher personnel costs and other operating expenses. These increases are due to capacity building of the company in preparation to its redevelopment plans.

Other Income – This refers mostly to interest income from bank placements, net of finance charges. In 2023, it decreased by P26.76 million or 35%. While there is bigger investment volume and higher interest rate, it was offset by net of finance charges.

Profitability Metrics: Given the above discussion, the profitability metrics are as follows: (1) the 2023 Gross Profit of the company is P785.76 million. This is lower by P59.21 million or 7% compared to 2022, (2) EBIT is P740.02 million in 2023 from P888.48 million in 2022, (3) NIAT is P609.52 million in 2023 from P666.87 million in 2022, and (4) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is P901.17 million in 2023 from P1.05 billion in 2022.

Vertical Analysis (% of Rev)	Audited 2022	Audited 2023
Revenue	100%	100%
Direct Cost	41%	44%
Gross Profit	59%	56%
Operating Expenses	2%	7%
Other Income Net of Finance Charges	5%	4%
Earnings Before Income Tax (EBIT)	62%	53%
Income Tax	16%	9%
Net Income after tax (NIAT)	47%	44%
Other Comprehensive Income	3%	1%
Total Comprehensive Income	50%	44%
EBITDA	74%	65%

Profitability Ratios: Because of lower revenue and higher direct cost, Gross Profit margin is lower in 2023 to 56% from 59% in 2022. Due to higher operating expenses, 2023 EBIT margin is down to 53% from 62%; 2023 NIAT margin is 44% from 47%, 2024 comprehensive income margin is lower to 44% from 50% and 2023 EBITDA margin is 65% from 74%.

Financial Condition

2024 and 2023

BALANCE SHEET	Audited 2023	Audited 2024	YTD Change 2024	% Change in 2024
ASSETS				
Current Assets	3,613,994	3,449,086	(164,907)	-5%
Cash and cash equivalents	1,761,524	1,919,455	157,932	9%
Trade and other receivables	1,633,871	959,388	(674,482)	-41%
Other current assets	218,599	570,243	351,643	161%
Noncurrent Assets	46,416,327	46,705,188	288,861	1%
Financial assets at FVOCI	161,931	218,029	56,098	35%
Investment properties	46,227,212	46,176,006	(51,205)	0%
Deferred assets	1,574	(0)	(1,574)	-100%
Property, Plant and Equipment	25,610	311,153	285,544	1115%
Total Assets	50,030,321	50,154,274	123,954	0.25%
LIABILITIES AND EQUITY				
Total Liabilities	1,438,661	987,938	(450,723)	-31%
Current Liabilities	727,169	489,621	(237,548)	-33%
Trade	416,701	431,512	14,811	4%
Income tax payable	9,746	-	(9,746)	-100%
Other current liabilities	300,722	58,109	(242,613)	-81%
Non-current liabilities	711,492	498,317	(213,175)	-30%
Customer Deposits and Advance rent	711,492	451,291	(260,201)	-37%
Retirement liability	-	5,647	5,647	0%
Deferred tax liabilities	(0)	41,379	41,379	0%
Total Equity	48,591,660	49,166,336	574,676	1%
Capital stock	46,932,100	46,932,100	-	0%
APIC	-	-	-	0%
Retained earnings	1,538,663	2,067,653	528,990	34%
Net unrealized gains or loss	120,896	166,583	45,687	38%
TOTAL LIAB AND EQUITY	50,030,321	50,154,274	123,954	0.25%

Assets: The Company ended the year 2024 with P50.15 billion in total assets, which is a P123.95 million increase from the December 2023 balance of P50.03 billion. The increase is mainly due to the P288.86 million increase in non-current assets, specifically additions to redevelopment activities under property, plant and equipment (PPE). Current assets decreased by P164.91 million mainly due to net changed in receivables and other current assets.

The following assets experienced significant changes of 5% or more from 2023 to 2024:

- **Cash and Cash Equivalents:** Increased by 9%. This increase is attributed to a cash inflow from operations amounting to P566.24 million, which was partially offset by a cash outflow from investing activities totaling P408.30 million.
- **Trade and Other Receivables:** Decreased by 41%. The decrease is primarily due to the collection of trade receivables and the offsetting of accounts receivable with liabilities.
- **Other Current Assets:** Increased by 163%. This rise is due to an increase in prepayments, advances to contractors, and deferred rent assets.
- **Financial Assets:** Increased by 35%. The increase is driven by a rise in the market value of these assets at the end of 2024.
- **Deferred Assets:** Decreased by 100%. This is due to temporary differences between accounting income and taxable income, specifically revenue deferred for accounting purposes.
- **Property, Plant, and Equipment (PPE):** Increased by 1115%. This significant increase is due to capital expenditures completed during the year, including additional assets under construction.

Liabilities: The Company ended 2024 with P987.94 million in total liabilities, down from P1.44 billion in 2023. The decrease of P450.72 million is mainly due to payments to suppliers and contractors and offsetting customer deposits and advance rental with receivables. The Company continued to be debt-free as of December 2024.

The following liabilities experienced significant changes of 5% or more from 2023 to 2024:

- **Income Tax Payable:** Decreased by 100%. By the end of 2024, the company had no income tax payable as the Creditable Withholding Tax (CWT) covered it.
- **Other Current Liabilities:** Decreased by 81%. This decrease is due to the offsetting of some accounts with trade receivables.
- **Customer Deposits and Advance Rates:** Decreased by 37%. The decrease is attributed to the offsetting of some accounts with trade receivables.

Equity: The company ended 2024 with P49.17 billion in equity, with the bulk contributed by capital stock at P46.93 billion. Retained earnings amounted to P2.07 billion, with an increase of P528.99 million coming from NIAT. Given these, the net book value per share of the company is P104.73, while the EPS is P1.22. The current ratio is at 7:1 and the Debt/Equity ratio is 0.02.

2023 and 2022

BALANCE SHEET	2022 Audited	Audited 2023	YTD Change 2023	% Change in 2023
ASSETS				
Current Assets	2,340,206	3,613,994	1,273,788	54%
Cash and cash equivalents	1,144,130	1,761,524	617,394	54%
Trade and other receivables	806,666	1,633,871	827,205	103%
Other current assets	389,410	218,599	(170,811)	-44%
Noncurrent Assets	46,556,483	46,416,327	(140,156)	0%
Financial assets at FVOCI	154,829	161,931	7,102	5%
Investment properties	46,386,358	46,227,212	(159,146)	0%
Deferred assets	15,125	1,574	(13,551)	-90%
Property, Plant and Equipment	171	25,610	25,439	14855%
Total Assets	48,896,689	50,030,321	1,133,632	2.32%
LIABILITIES AND EQUITY				
Total Liabilities	924,834	1,438,661	513,827	56%
Current Liabilities	429,836	727,169	297,333	69%
Trade	294,871	416,701	121,830	41%
Income tax payable	44,840	9,746	(35,095)	-78%
Other current liabilities	90,125	300,722	210,597	234%
Non-current liabilities	494,998	711,492	216,494	44%
Customer Deposits and Advance rent	494,998	711,492	216,494	44%
Retirement liability	-	-	-	0%
Deferred tax liabilities	-	(0)	(0)	0%
Total Equity	47,971,855	48,591,660	619,805	1%
Capital stock	46,932,100	46,932,100	-	0%
APIC	-	-	-	0%
Retained earnings	929,145	1,538,663	609,518	66%
Net unrealized gains or loss	110,610	120,896	10,287	9%
TOTAL LIAB AND EQUITY	48,896,689	50,030,321	1,133,632	2.32%

Assets: The Company ended the year 2023 with P50.03 billion in total assets, which is a P1.13 billion increase from the December 2022 balance of P48.90 billion. The increase is mainly due to the P617.39 million and P827.21 million increase in cash & cash equivalents and receivables, respectively. The increase in cash & cash equivalents is due to collections while increase in receivables is due to billings for the year.

The following assets experienced significant changes of 5% or more from 2022 to 2023:

- **Cash and Cash Equivalents:** Increased by 54%. This increase is attributed to a cash inflow from operations amounting to P639.84 million, which was partially offset by a cash outflow from investing activities totaling P22.44 million.
- **Trade and Other Receivables:** Increased by 103%. The increase is due to additional billings during the year, although some collections were unidentified at year-end as payments were made via direct bank deposits due to the pandemic.
- **Other Current Assets:** Decreased by 44%. This decrease is due to a reduction in prepayments, advances to contractors, and deferred rent assets.

- **Financial Assets:** Increased by 5%. The increase is driven by a rise in the market value of these assets at the end of 2024.
- **Deferred Assets:** Decreased by 90%. This substantial decrease is due to temporary differences between accounting income and taxable income, specifically revenue deferred for accounting purposes.
- **Property, Plant, and Equipment (PPE):** Increased by 14855%. This significant increase is due to capital expenditures completed during the year and additional assets under construction.

Liabilities: The Company ended 2023 with P1.44 billion total liabilities. This is up by P513.82 million from P924.83 million in 2022. The increase is mainly due to unidentified collections booked as advance rental and other current liabilities. The company has no bank debts as of December 2023.

The following liabilities experienced significant changes of 5% or more from 2022 to 2023:

- **Trade Payable:** Increased by 41%. This increase is attributed to additional transactions with suppliers and contractors as the company prepares for redevelopment projects.
- **Income Tax Payable:** Decreased by 78%. The decrease is due to lower taxable income, resulting in a reduced income tax due.
- **Other Current Liabilities:** Increased by 234%. This increase is driven by a rise in deferred output VAT and accrued expenses.
- **Customer Deposits and Advance Rates:** Increased by 44%. The increase is due to higher security deposits.

Equity: The company ended 2023 with P50.03 billion in equity, with the bulk contributed by capital stock at P46.93 billion. Retained earnings amounted to P1.54 billion, with an increase of P609.52 million coming from NIAT. Given these, the net book value per share of the company is P103.54, while the EPS is P1.30. The current ratio is at 5:1 and the Debt/Equity ratio is 0.02.

3.4. OTHER MATTERS

- (i) There are no other trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's increasing or decreasing liquidity in any material way. The company has no debt for the past three (3) years. Hence, the Corporation is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. It does not have any liquidity problems.
- (ii) There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.
- (iii) There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.
- (iv) On-going and planned capital expenditure projects of the Corporation are as follows: The Board has approved capital expenditures of P1.125 billion for 2024 and P1.177 billion for 2025. These budgets include allocations for the partial soft costs associated with the redevelopment projects of the Buendia and Macapagal Financial Center properties.
- (v) There are no known other trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales, revenue or income from continuing operations.
- (vi) There are no significant elements of income or loss that did not arise from the Company's continuing operations.
- (vii) Causes for any material change from period to period include vertical and horizontal analyses of any material item;

There are no seasonal aspects that have a material effect on the financial condition or results of operations of the Company as of December 2024.

Item 7. Financial Statements

The 2024, 2023 and 2022 audited financial statements of the Company are incorporated in the accompanying Index to Exhibits.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants

The External Auditor of the Corporation is SyCip Gorres Velayo & Co. (SGV & Co.). The audit partner in charge, Kristopher S. Catalan, was appointed in April 2024.

Representatives from SGV & Co. are expected to be present at the Annual Stockholders' Meeting, where they will have the opportunity to make a statement if they so desire. They will also be available to respond to appropriate questions raised by stockholders.

There were no changes in, or disagreement with, the Company's accountants on any accounting and financial disclosure during the three (3) most recent fiscal years or any subsequent interim period.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV & Co during the most recent fiscal year and during the two (2) prior fiscal years. There were no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

(a) Audit and Audit-Related Fees

PHC paid its external auditor, the following fees in the past two years: (in Php thousands; with VAT)

Year	Audit & Audit-related Fees	Other Audit Fees	Non-Audit Services
2024	791.8	nil	Nil
2023	958.9	nil	Nil

** Pertains to audit fees.*

***Non-audit fees which may include but not limited to the validation of stockholders' votes during the annual stockholders' meeting and other assurance fees.*

(b) Tax Fees

In 2024, SGV Tax Compliance Group was engaged to conduct VAT Healthcheck covering the taxable year 2023. The professional service fees amounted to 369.6 inclusive of VAT and out-of-pocket expenses.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers of the Registrant

The Board of Directors (BOD) of PHC is responsible for the overall management and supervision of the Company. The Company's officers and management team assist the BOD by providing relevant information and documents related to the Company's business operations, financial condition, and performance for the BOD's review and decision-making. Currently, the BOD comprises nine (9) members, including four (4) independent directors, in compliance with the requirements of the relevant regulatory bodies.

Members of the Board of Directors

All of the Company's directors were elected at the Company's annual stockholders' meeting on April 18, 2024, and will continue to serve until the next annual stockholders' meeting or until their successors are duly elected and qualified. Information on each member of the Company's Board of Directors (BOD) as of the date of this Prospectus, including each director's term of office and the period they have served, is provided in the table below.

Name	Position	Period	Citizenship
Dr. Lucio C. Tan	Chairman/Regular Director	April 18, 2024 - Present	Filipino
Karlu T. Say	President/Regular Director	April 18, 2024 - Present	Filipino
Lucio C. Tan	Regular Director	April 18, 2024 - Present	Filipino
William T. Lim	Regular Director	April 18, 2024 - Present	Filipino
Eusebio V. Tan	Regular Director	August 1, 2024 - Present	Filipino
Cielo Macapagal-Salgado	Independent Director	April 18, 2024 - Present	Filipino
Elaine Y. Co	Independent Director	April 18, 2024 - Present	Filipino
Ma. Cecilia Gonzales	Independent Director	April 18, 2024 - Present	Filipino
Leonardo T. Matignas, Jr.	Independent Director	April 18, 2024 - Present	Filipino

The business experience of each of the Company's directors is described below:

- **Dr. Lucio C. Tan**, Filipino, is the Chairman of the Board of Directors of PNB Holdings Corporation and Chairman and CEO of LT Group, Inc. A highly regarded business leader, he oversees a vast portfolio of companies across diverse industries, including aviation, banking, tobacco, beverage manufacturing, real estate, and agribusiness. His leadership extends to Philippine Airlines, Inc., Asia Brewery Inc., MacroAsia Corp., Fortune Tobacco Corp., PMFTC, Inc., and Tanduay Distillers, Inc., among many others. He also serves as Chairman Emeritus of the Philippine National Bank. Dr. Tan holds a Bachelor of Science in Chemical Engineering from Far Eastern University and was conferred a Doctor of Philosophy in Commerce by the University of Santo Tomas, recognizing his contributions to business and industry.
- **Karlu T. Say**, Filipino, is the President of PNB Holdings Corporation, leading the company's vision to become the foremost luxury real estate developer in the country. In addition to this role, Say holds directorships in several entities under the Lucio Tan Group, including LT Group, Inc., Eton Properties Management Corp., Eton Properties Philippines, Inc., and Alliedbankers Insurance Corporation. Beyond real estate and corporate leadership, Say is also the Founder and Director of Dong-A Pharma Phils., Inc., demonstrating a strong entrepreneurial drive in the pharmaceutical industry. Say earned a Bachelor of Science in Management from Ateneo de Manila University and an Associate of Arts degree in Interior Design from the Fashion Institute of Design & Merchandising in San Francisco, California, USA.
- **Lucio C. Tan III**, Filipino, is the Vice Chairman and Chief Operating Officer of LT Group, Inc. He also serves as Director and Vice President of PAL Holdings, Inc., and Director of MacroAsia Corporation. He holds the position of President and Chief Operating Officer at Tanduay Distillers, Inc., and is also the President of PAL Holdings, Inc. Additionally, he is a Director of several companies, including Philippine Airlines, Philippine National Bank, Lufthansa Technik Philippines, Inc., MacroAsia Catering Services, Inc., MacroAsia SATS Inflight Services Corp., MacroAsia Airport Services Corp., MacroAsia Properties Development Corp., Belton Communities, Inc., Eton City, Inc., First Homes, Inc., Fortune Landequities and Resources Inc., Ayala-Eton Property Development Corp., and Philip Morris-Fortune Tobacco Corporation. He is the Vice Chairman and President of Sabre Travel Network Phils. Inc. Before returning to the Philippines to lead Tanduay Distillers, Inc., he worked as a software engineer at Lyft in California, USA. He holds a Bachelor of Science in Electrical Engineering and a Master of Science in Computer Science from Stanford University.

- **William T. Lim**, Filipino, brings extensive experience in banking and corporate governance, currently serving as an Advisor to the Chairman of the Board of Allianz PNB Life Insurance, Inc. He is also a Board Advisor of PNB and holds directorships in several companies, including PNB Securities, Inc., PNB Holdings Corporation, Allied Integrated Holdings, Inc. (formerly PNB Savings Bank), and BH Fashion Retailers, Inc. His career in banking spans three decades, with significant tenure at Equitable Banking Corporation, where he held key positions, including Vice President and Head of the Foreign Department. Lim earned his Bachelor of Science in Chemistry from Adamson University.
- **Eusebio V. Tan**, Filipino, is a highly regarded expert in corporate law, banking and finance, investment law, franchising, mergers and acquisitions, government contracts, public-private partnerships, and privatization projects. His extensive legal career includes notable contributions to strengthening economic ties between Japan and the Philippines. In recognition of his efforts, the Japanese government awarded him The Order of the Rising Sun, Gold Rays with Neck Ribbon in 2020. He previously co-chaired the Philippines-Japan Economic Cooperation Committee. Tan holds a law degree from Ateneo de Manila University and a Master of Laws from Columbia University.
- **Cielo Macapagal-Salgado**, Filipino, has dedicated over 30 years to public service, including two terms as the elected Vice Governor of Pampanga. She was recognized in 2004 as the Most Outstanding Kapampangan of Pampanga for her contributions to governance and community development. Since 2000, she has served as Chairperson and Director of multiple subsidiaries of PNB in California, Canada, and the Philippines. A committed advocate for faith-based initiatives, Salgado is the Overall National Coordinator of Flames of Fire for Jesus Catholic Charismatic Community and Co-Chair of the Home of Love Antipolo Chapter of the National Sandigan Foundation, supporting projects aligned with St. Teresa of Calcutta, the Oblates, and the Third Order of the Benedictines of Mexico and Pampanga since 1988. She also serves as an elected Director of the National Women's Association in the Philippines. Salgado holds a Ph.D. in Economics.
- **Elaine Y. Co**, Filipino, has built a distinguished career spanning over 30 years in the alternative assets investment industry. She is the Founder and Managing Partner of BluMandarin Capital Ltd., a family office advisory firm based in Hong Kong, and the Founding Strategic Advisor of Stillbrook Capital, a Greater China Long-Only fund regulated by the Hong Kong Securities and Futures Commission. Previously, she was a founding Partner at Janchor Partners Limited, a Long/Short Equity hedge fund in Hong Kong, where she led the firm's non-investment operations from its inception in 2009 until 2018. Before transitioning into hedge fund management, she spent a decade in corporate finance advisory roles with firms such as Vickers Ballas Philippines, Sun Hung Kai Securities Philippines Corporate Finance, and SGV & Co., focusing on IPOs, power infrastructure, restructuring, and M&A projects. Recognized as one of the 50 Leading Women in Hedge Funds by The Hedge Fund Journal and EY in 2013, Co holds an AB Management Economics degree from Ateneo de Manila University, an MBA in Finance and Organizational Behavior from Northwestern University's Kellogg School of Management, and has completed the Advanced Management Program at Harvard Business School.
- **Ma. Cecilia Gonzales**, Filipino, is an accomplished executive leader with 30 years of experience in product and service development, project management, and strategic marketing, particularly in the financial services and telecommunications sectors. She is the Founder and Managing Member of Manila Consulting Group (MCG), where she provides expert consulting services in brand, marketing, and communication strategy for companies in Guam and other international markets. Additionally, she serves as an Affiliate and Client Director for Acumen Strategy Consultants in the Philippines, specializing in marketing strategy and business analytics capability building. Gonzales is also a faculty member in the Marketing & Law Department at the JG School of Management, Ateneo de Manila University. Her career includes 22 years in senior marketing roles at Citibank, where she held key leadership positions in the Philippines, Indonesia, and Guam, culminating in her role as Cards Business and Marketing Head for Citibank Guam. She holds a Bachelor's degree in Management Engineering from Ateneo de Manila University.
- **Leo T. Matignas, Jr.**, Filipino, is a renowned expert in Enterprise Risk Management (ERM), with a distinguished career spanning leadership roles in professional services and corporate governance. He was a Partner at SGV & Co. (a member firm of Ernst & Young) and served as its Chief Risk Officer, as well as Ernst & Young's ASEAN Risk Management Leader until his retirement in June 2022. A multi-awarded authority in risk management, he

authored “A Practical Approach to Enterprise Risk Management,” the first ERM book written by a Filipino for Filipino professionals. Matignas is a Philippine CPA and holds the prestigious Fellow, CPA Australia (FCPA) designation, the highest rank in CPA Australia, recognized globally. He is also a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and holds a Certification in Risk Management Assurance (CRMA). He graduated Magna Cum Laude with a Bachelor of Science in Commerce from San Sebastian College and earned a Master’s in Management–International from the University of Phoenix (Arizona, USA).

Executive Officers and Key Persons

In addition to the above-listed directors, the following are the names, ages and citizenship of the Company’s executive officers and significant employees appointed as of the date of this Report.

Name	Age	Position	Period	Citizenship
Joselito R. Consunji	61	Chief Operating Officer	April 8, 2024 – Present	Filipino
Maryknoll B. Zamora	53	Chief Financial Officer	Feb 4, 2024 – Present	Filipino
Atty. Michael Leslie D. Delos Reyes	53	Chief Risk and Chief Compliance Officer	January 30, 2023 – Present	Filipino
Gladys Grace K. Uy	59	VP Human Resources and Administration	May 2, 2023 – Present	Filipino
Atty. Mildred Ann M. Gonzales	43	VP Legal	September 4, 2023 – Present	Filipino
Becky D. Co	59	VP Treasury	December 11, 2023 – Present	Filipino
Winnie K. Ong	37	VP Internal Audit	October 14, 2024 – Present	Filipino
Julio Jude D. Montinola	54	VP Business Development	September 4, 2023 – Present	Filipino
Joane D. Umali	44	VP Leasing Management	January 13, 2025 – Present	Filipino
Engr. Eric R. Potente	58	VP Purchasing	March 4, 2024 – Present	Filipino
Engr. Arnold B. Gandia	54	VP Quantity Surveying	March 4, 2024 – Present	Filipino
Engr. Ferdinand M. Dela Rosa	59	VP Property Management	May 6, 2024 – Present	Filipino
Engr. Richard C. Naval	48	VP Technical Services and Construction Management	May 20, 2024 – Present	Filipino
Arch. Eleno A. De Paz	51	VP Planning and Design	May 6, 2024 – Present	Filipino
Marvin M. Javier	45	AVP Information and Communication Technology Data Privacy Officer	February 20, 2023 – Present	Filipino
Ernest Chito C. Fernandez	44	AVP Safety and Security	November 13, 2024 – Present	Filipino
John Klein R. Santos	28	Senior Manager – Financial Controller	January 9, 2023 – Present	Filipino
Von Edrian A. Villanueva	31	Senior Manager – Head of Corporate Communications	September 18, 2023 – Present	Filipino

The business experience of the Company’s executive officers and significant employees who are expected to make a significant contribution to PHC’s vision are indicated below:

- **Joselito R. Consunji**, Filipino, brings over four decades of leadership experience spanning both private and public sectors, with a strong background in real estate, leisure, and corporate management. Before joining PHC,

he served as a Management Consultant at Menarco Development Corporation and held senior roles at SBS Holdings & Enterprises Corporation, where he was the Senior Executive Vice President. His real estate development experience includes serving as Executive Vice President and Chief Operating Officer of Earth and Shore Leisure Communities Corporation and Belle Corporation. He also served on the boards of Tagaytay Highlands International Golf, Inc., Belle Bay Plaza Corporation, and Premium Leisure and Amusement Corporation. Mr. Consunji's leadership extends to land development and corporate governance, having been General Manager at Alsons Land Corporation, Deputy General Manager for Luzon Real Estate Operations at Lima Land, Inc., Management Consultant at Lorenzo Shipping Corporation, and Assistant Chief Operating Officer at Luisita Realty Corporation. In the public sector, he contributed his expertise as a Director at the Department of Tourism and served in key financial and administrative roles at the Asset Privatization Trust and the Philippine National Oil Company (PNOC). A distinguished academic achiever, Mr. Consunji graduated Cum Laude and was the valedictorian of the Collegiate Class of 1983 at San Beda College, earning a Bachelor of Arts degree in Economics with a Minor in Mathematics. He further pursued MBA units at De La Salle University as a Philippine National Oil Company scholar.

- **Maryknoll B. Zamora**, Filipino, has an impressive 31-year career spanning finance, investments, and corporate governance. Ms. Zamora has built a solid reputation in both the corporate and academic sectors. Her most recent role before joining PHC was as Chief Financial Officer at Brittany Hotels, a subsidiary of Vista Hotel & Leisure. Concurrently, she held the same position at Prime Asset Ventures, Inc. (PAVI) and played a key role in overseeing financial strategy, investment management, and corporate governance. PAVI is the holding company of PrimeWater Corp., PAVI Green, SI Power, Kratos, AMBS (AllTV), Streamtech, and others. Ms. Zamora is also the CFO and Treasurer of listed company PREIT. Ms. Zamora also has extensive experience in resource management and financial compliance, having held multiple leadership roles at Alcorn Gold Resources Corp., a publicly-listed company, including Treasury and Investment Head, Corporate Information Officer, and Investor Relations Officer. She started her professional journey as an Audit Supervisor at PricewaterhouseCoopers, where she developed her expertise in financial auditing and corporate compliance. Beyond her corporate career, Ms. Zamora is a dedicated academic, serving as a part-time faculty member at the PUP Graduate School, where she teaches Strategic Management and Corporate Good Governance. She has also shared her expertise in Financial Management, Managerial Accounting, Business Taxation, and Income Taxation at De La Salle University's College of Business and Administration. Ms. Zamora graduated Cum Laude with a Bachelor of Science in Accountancy from the Polytechnic University of the Philippines and later completed her Master's in Business Administration at De La Salle University Graduate School of Business. Additionally, she earned her Juris Doctor degree from Adamson University College of Law, graduating among the Top 10 of her class. Her excellence in finance was recognized in 2023, when she was named one of the Top 10 CFOs in the Philippines by CEO Insights Asia.
- **Atty. Michael Leslie D. Delos Reyes**, Filipino, is a seasoned legal expert with 24 years of experience in corporate law, real estate, and regulatory compliance. His expertise in legal strategy, corporate governance, and contract management has made him a highly regarded legal professional in the industry. Before joining PHC, he was Vice President of Legal and Corporate Secretary at Eton Properties Philippines Inc., where he played a critical role in corporate compliance, risk management, and legal advisory. His experience in the real estate sector also includes his tenure as Assistant Vice President of Legal at SM Prime Holdings Inc., where he handled legal affairs for one of the country's largest property developers. Additionally, he served as a Senior Legal Manager at Rockwell Land Corporation, contributing to the company's legal and regulatory operations. Atty. Delos Reyes holds a Bachelor of Arts in Political Economy from the University of Asia & the Pacific. He later earned his Juris Doctor degree from Ateneo de Manila University – School of Law and was admitted to the Bar in 1998. His legal practice honed his expertise in business law, contract negotiations, and corporate governance. His extensive experience in real estate and corporate law continues to be an asset in shaping legal policies and frameworks for PHC.
- **Gladys Grace K. Uy**, Filipino, has more than 23 years of extensive experience in human resource management, which became instrumental in shaping HR policies and organizational development strategies in various industries. She currently serves as Vice President for HR and Administration at PHC, bringing her deep expertise in talent management, employee relations, and corporate culture development. Uy previously worked at Eton Properties Philippines, Inc. for over a decade, where she rose to the position of Senior Assistant Vice President

in the Human Resources Department. During her tenure, she played a pivotal role in formulating HR strategies, leadership development programs, and employee engagement initiatives. Her career also includes serving as HR and Admin Head at Burgundy Global Exploration Corporation and as an HR Officer at Y.I. Group of Companies, where she refined her expertise in talent acquisition and workforce planning. She holds a Bachelor of Science in Commerce, Major in Business Management from the University of Santo Tomas. Uy continues to be a driving force in modern HR practices, focusing on fostering workplace excellence and leadership development at PHC.

- **Atty. Mildred Ann M. Gonzales**, Filipino, was admitted to the Philippine Bar since May 2, 2008. She started as an Associate Attorney in the Law Offices of Jimenez Gonzales Bello Valdez Caluya and Fernandez and had extensive experience dealing with corporate, taxation, litigation, labor, immigration and intellectual property laws. After three years in the law firm, she worked with leading property developers, providing sound legal advice to Management and displaying her strategic business acumen in land acquisitions, conversion, boundary disputes, expropriation, tax matters, corporate governance, employee relations and contract negotiations. She dealt with various government agencies and regulatory bodies, as well as tribunals where she played a pivotal role in ensuring that business objectives are met and mitigating risks for major real estate projects. Atty. Gonzales holds a Bachelor of Laws degree from San Beda College and a Bachelor of Science in Commerce, Major in Legal Management from De La Salle University.
- **Becky D. Co**, Filipino, Becky D. Co, Filipino, brings more than 30 years of expertise in treasury and financial management, with a strong background in corporate finance, cash flow management, and financial planning. Before joining PHC, she held the position of Senior Assistant Vice President for Treasury Cash Management Services at SM Development Corporation, where she was instrumental in overseeing liquidity and optimizing financial operations. Her career also includes serving as Assistant Vice President and Controller at Phinma Inc., where she managed corporate financial reporting and internal controls. Additionally, she was Vice President of Treasury, Credit, and Collections at FEP Printing Corporation, leading efforts in financial stability and risk management. A Certified Public Accountant, Co earned her Bachelor of Science in Commerce, majoring in Accounting, from De La Salle University. Beyond her corporate achievements, she has been actively involved in community service, serving as the Charter President of the Rotary Club of Kalayaan and later as its Centennial President in 2005.
- **Winny K. Ong**, Filipino, is a finance and auditing professional with 15 years of experience, building her career in financial compliance, risk management, and internal controls. As Vice President for Internal Audit at PHC, she brings extensive expertise in corporate governance and internal audit strategies. Before joining PHC, she held key positions at Globe Telecom, Inc., where she advanced from Audit Expert to Senior Audit Manager. Her earlier career includes finance leadership roles at Richbright Corporation, Sanford Marketing Corporation (SaveMore/SM Group), and Smart Communications, Inc. Ong is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and Certified Control Self-Assessment (CCSA) professional. She earned a Bachelor of Science in Accountancy from De La Salle University, graduating with Honorable Mention.
- **Julio Jude D. Montinola**, Filipino. JJ's career spans 31 years in business development, project management, and property management and has held key leadership roles across some of the country's top conglomerates. Before leading PHC's Business Development unit, he served as Vice President for Property at House of Investments, Inc., where he was responsible for overseeing the group's premier office tower in Bonifacio Global City, Taguig City, managing an ongoing construction of a 27-storey prime office tower along Sen. Gil J. Puyat, Makati City, and acting as the group's representative in a multinational consortium that won the contract to develop an International Airport Complex in Sangley Point, Cavite Province. Other roles held were as Head of Property Management at Shang Properties Incorporated, Assistant Vice President for Business Development at Roxas and Company Incorporated, Business Development Manager of Balibago Waterworks, Division Manager at Ayala Land, Assistant Vice President for Business Development at SM Land, Inc., Head of Commercial Centers at Greenfield Development Corporation, Senior Leasing Manager at Robinsons Land Corporation and JAKA Investments Corporation. JJ holds a Bachelor of Science degree in Business Administration, Majoring in Business Management from De La Salle University. With his extensive background in business growth and strategic property management, Montinola plays a crucial role in driving PHC's redevelopment initiatives.

- **Joane D. Umali**, Filipino, has over 20 years of experience in leasing, retail management, and business development. Joane D. Umali has made significant contributions to the commercial real estate industry. Prior to joining PHC, she was Senior Assistant Vice President at SM Prime Holdings, Inc., where she progressed through multiple leadership roles from Senior Manager to Assistant Vice President. Her leasing and retail expertise spans various organizations, having served as Leasing Head at Masterpiece Asia Development Corp., Senior Leasing Manager at Shopping Center Management Corporation, and Administration & Marketing Assistant at Ayala Land, Inc. She began her career at Food Court Company, Inc. (Food Choices Glorietta 4, Makati City), gaining hands-on experience in operations and administration. Umali holds a Bachelor of Science in Business Administration, Major in Management from Adamson University, equipping her with a strong foundation in corporate strategy and business operations.
- **Engr. Eric R. Potente**, Filipino, has dedicated more than 34 years to the construction and real estate industry. His career includes 28 years at Rockwell Land Corporation, where he rose to the position of Assistant Vice President of Project Development and later served as a consultant. Engr. Potente's extensive knowledge in civil engineering is backed by his Bachelor of Science degree in Civil Engineering from the Mapua Institute of Technology. A Licensed Civil Engineer, he has continuously contributed to the industry by ensuring the efficient planning and execution of major real estate projects.
- **Engr. Arnold B. Gandia**, Filipino, brings 31 years of expertise in Quantity Surveying. Engr. Arnold B. Gandia has built a distinguished career in project cost analysis and construction consultancy. Before assuming his role as Vice President for QS at PHC in 2024, he was Vice President – QS Operations at Quantity Solutions, Inc., overseeing large-scale projects and cost analysis. In 2017, Engr. Gandia co-founded METRI Quantity Surveyors, Inc., or simply Metriqs, an all-Filipino construction cost consulting company, which undertook extensive and expert QS solution from pre-contract to post contract stage. He was its Managing Director until 2022. Engr. Gandia started his career in 1992 as a Cadet Engineer in a leading General Construction company. After two years, he started his QS career with Davis Langdon and Seah Malaysia. He eventually transferred in 1996 to Langdon and Seah Philippines, Inc. (now Arcadis Philippines, Inc.), where he had performed consistently for 21 years and successfully rose from the ranks to Assistant Vice President. In addition to his roles, he also served as Senior Assistant Vice President at SharePro, Inc., a subsidiary of Filinvest Development Corporation from October to December 2022. Engr. Gandia's experience extends beyond corporate roles, as he is a Corporate and Founding Member and Trainer at the Philippine Institute of Certified Quantity Surveyors (PICQS), contributing to the professional development of industry practitioners. He earned his Bachelor's degree in Civil Engineering from De La Salle University and is a Licensed Civil Engineer.
- **Engr. Ferdinand M. Dela Rosa**, Filipino, has a career spanning 34 years in mechanical engineering and property management. Prior to joining PHC in 2024, he was Assistant Chief Engineer and Professional Mechanical Engineer (PME) at Shangri-La The Fort Manila, overseeing technical operations and maintenance for one of the country's premier luxury hotels. His broad engineering expertise includes serving as a PME Consultant at Nestlé Philippines, where he provided specialized guidance on industrial and mechanical systems. He also held leadership positions as Chief Engineer at The Bellevue Manila and Assistant Chief Engineer at Shangri-La Plaza Corporation, managing large-scale infrastructure and maintenance projects. Throughout his career, he has contributed his technical proficiency to various organizations, including PRHC Property Manager's Inc., Coca-Cola Bottlers Inc., Terra Asia Pacific Development Managers, Inc., DCCD Engineering Corporation, and GNQ Industrial Corporation. Dela Rosa earned his Bachelor of Science in Mechanical Engineering from the Central Colleges of the Philippines. He is a registered ASEAN Engineer, Mechanical Engineer and a Professional Mechanical Engineer, bringing a wealth of industry knowledge and engineering leadership to PHC's operations.
- **Engr. Richard C. Naval**, Filipino, has over two decades of experience in real estate development and construction management. Engr. Richard C. Naval has overseen high-profile residential and commercial projects. Before joining PHC as the head of its Technical Services and Construction Management Department, he was Vice President – Cluster Construction Management Head at Arthaland Corporation. His career is marked by leadership roles in some of the country's top developers, including Senior Assistant Vice President – Operations Construction Management Head at Federal Land Inc., and Assistant Vice President – Construction

Management Head for High-End Residential Projects at Filinvest Alabang Inc. He also gained international project experience as Project Technical Manager (Philippine Representative) at Hongkong Land (Philippines). Engr. Naval has held key engineering positions at Geo-Estate Development Corp., Costa Del Hamilo Inc., Robinsons Land Corporation, Filinvest Land Inc., and Gutteridge Haskins & Davey (GHD) Pty. Ltd. He started his career as a Junior Civil Engineer at Daiichi Properties & Development Inc. A licensed civil engineer, he holds a Bachelor's degree in Civil Engineering from the University of Santo Tomas and a Master's in Construction Management from the Polytechnic University of the Philippines. He is currently taking a Postgraduate Certificate in Project Management from the Asian Institute of Management (AIM).

- **Architect Eleno A. De Paz**, Filipino, has gained 27 years of comprehensive expertise in architecture, design, urban planning, and construction. Arch. De Paz has shaped commercial and residential developments for leading real estate firms most recent leadership roles include serving as Head of the Planning and Design Department at Arthaland and Vice President for Planning and Design at Eton Properties Philippines, Inc. His architectural career spans across multiple organizations, where he contributed to urban planning, technical design, and project management. He was previously Head of the Technical Planning Department at Federal Land Inc., Assistant Vice President for Planning at Nuvoland Philippines Inc., and DIM Group Lead (Project Manager) at Duotal Ltd. His technical expertise was further honed through roles such as Associate Architect at CASAS+ARCHITECTS, Senior Architect/Partner at MDR Architects, and Senior Architect/CADD Supervisor at FMM Architects. Beyond corporate practice, Arch. De Paz was a faculty member at the Technological Institute of the Philippines, sharing his knowledge with aspiring architects. He holds a Bachelor of Science in Architecture from the Polytechnic University of the Philippines, completed through the Japan-Philippines Cooperation University program via JICA (Japan International Cooperation Agency). He attended the Master of Architecture program at the Technological University of the Philippines.
- **Marvin M. Javier**, Filipino, has been at the forefront of IT and digital transformation for 21 years, leading technology initiatives in the real estate and property development sector. Before joining PHC, he served as IT Head at P.A. Alvarez Properties & Development Corporation, overseeing digital infrastructure and cybersecurity strategies. His previous experience includes key roles at Avida Land Corp., where he was Information & Systems Manager and Compliance Officer for Privacy, and SPI – Philippines, where he worked as Lead Programmer. He also held technical roles as Systems Engineer at Sigmasoft Solutions and Analyst/Programmer at Derm Pharma. Javier earned a Bachelor of Science in Computer Science from De La Salle – Lipa and later expanded his expertise in real estate by completing a Bachelor of Science in Real Estate Management at Trinity University of Asia.
- **Ernest Chito C. Fernandez**, Filipino, is a seasoned safety and security professional who dedicated 24 years to ensuring corporate security, risk management, and safety operations across various industries. Before joining PHC, he served as Regional Security and Crisis Management Director for Asia Pacific at GE Power Philippines, Inc., where he managed strategic security initiatives for the region. His career also includes leadership roles such as Regional Security Director for ASEAN North at General Electric Vietnam, Ltd., and Regional Security Operations Leader for ASEAN at General Electric Philippines, Inc. Prior to that, he held key safety, security and facilities management positions at Avon Cosmetics, Inc., Cushman and Wakefield Philippines, Inc., and Ayala Land, Inc. Fernandez began his career as a Security Officer at Glorietta Mall. He holds a Bachelor of Science in Criminology from Criminal Justice College, Inc., and later pursued a Master's in Business Administration, specializing in Industrial Security Management, at Philippine Women's University.
- **John Klein R. Santos**, Filipino, is a finance professional with extensive experience in accounting, financial analysis, audit management and taxation, and strategic planning. His expertise spans multiple industries, including real estate, construction, oil & gas, FMCG, shared services, and IT-BPO. He has played a pivotal role in ERP implementation, transfer pricing, internal controls, and treasury operations, ensuring financial stability and regulatory compliance. Beyond his corporate career, Santos has also served as an instructor in finance, accounting, and taxation, emphasizing his dedication to knowledge-sharing and professional development. A Certified Public Accountant (CPA) and Certified Tax Technician, he is affiliated with the Royal Institution of Singapore. He is also an active member of the Philippine Institute of Certified Public Accountants, the Association of Certified Public Accountants in Commerce & Industry, and the Tax Management Association of the Philippines. Santos holds a degree in Accountancy from the Polytechnic University of the Philippines.

- **Von Edrian A. Villanueva**, Filipino, has over a decade of experience in strategic communications, marketing, and corporate social responsibility. A Cum Laude graduate of the Polytechnic University of the Philippines with a degree in Broadcast Communication, he began his career in media as a Program Researcher for GMA Networks' News and Public Affairs, the country's most trusted news organization. He later transitioned to the non-profit sector as an Institutional Marketing and Communications Specialist for the GMA Kapuso Foundation, managing campaigns that supported disaster relief and education programs. From 2019 to 2023, Villanueva served as Marketing Manager for SM Cares, leading initiatives that positioned SM Supermalls as "A Mall for All" by advocating for inclusivity and sustainability. Villanueva is currently the Senior Manager - Head of Corporate Communications of PHC, where he oversees branding, reputation management, and corporate social responsibility. Currently pursuing a Master's in Development Communication at the University of the Philippines - Open University, Villanueva continues to refine his expertise in leveraging communications for meaningful impact.

The directors, executive officers, and key personnel at PHC are committed to good corporate governance, an essential aspect of strategic business management. They make every effort to promote awareness of this policy and PHC's Manual of Corporate Governance throughout the organization.

Involvement in Certain Legal Proceedings (over the past 5 years)

- a. None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.
- b. None of them has been involved in any bankruptcy petition.
- c. None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding, both domestic and foreign.
- d. None of them has been subject to any order, judgment, or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities.
- e. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

Directors and Executive Officers

Directors. Article IV, Section 12 of the By-Laws provides:

"Section 12 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as Director. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year. *(Old Sections 12 to 15 transferred to Article VI; Old Section 17 renumbered as Section 12, as amended 26 November 2020.)*

The Personnel and Compensation Committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for Directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term. *(As amended 26 November 2020.)*"

i. Standard Arrangement (Current Compensation)

The standard remuneration of non-executive directors as follows:

Retainer Fee	none
Board Meeting Fee per meeting attended	P25,000
Committee Meeting Fee per meeting attended	P25,000

Directors who hold executive or management positions do not receive directors' fees.

ii. Other Arrangement

None of the non-executive directors has been engaged and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement regarding the remuneration of its non-executive directors aside from the compensation received as herein stated. In 2024, the non-executive directors and independent directors of the Company received remuneration, inclusive of tax, as follows:

Name	Position	Period	Total Remuneration in 2024
Dr. Lucio C. Tan	Chairman/Regular Director	April 18, 2024 - Present	P100,000
Karlu T. Say	President/Regular Director	April 18, 2024 - Present	P100,000
Lucio C. Tan	Regular Director	April 18, 2024 - Present	P100,000
William T. Lim	Regular Director	April 18, 2024 - Present	P100,000
Eusebio V. Tan	Regular Director	August 1, 2024 - Present	P 25,000
Cielo Macapagal-Salgado	Independent Director	April 18, 2024 - Present	P100,000
Elaine Y. Co	Independent Director	April 18, 2024 - Present	P100,000
Ma. Cecilia Gonzales	Independent Director	April 18, 2024 - Present	P75,000
Leonardo T. Matignas, Jr.	Independent Director	April 18, 2024 - Present	P100,000

Officers Compensation

The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four (4) highly compensated executives amounted to P27.460 million in 2024 and P19.249 million in 2023. The projected total annual compensation for the current year is P28.009 million.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
1. Karlu Tan-Say – <i>President</i> 2. Joselito R. Consunji - <i>Chief Operating Officer</i> 3. Maryknoll B. Zamora - <i>Chief Financial Officer</i>	2025 (estimate)	P28.009 mil		P 3.981 mil
4. Michael Leslie D. Delos Reyes - <i>Chief Risk and Compliance Officer</i> 5. Gladys Grace K. Uy - <i>Vice-President for Human Resources and Administration</i>	2024	P27.460 mil		P 3.866 mil
	2023	P19.249 mil		P 2.709 mil

All other officers and directors as a group unnamed*	2025 (estimate)	₱51.342 mil		₱7.229 mil
	2024	₱54.242 mil		₱7.524 mil
	2023	₱39.151 mil		₱5.512 mil

*Others Officers – includes AVP and up. Compensation includes per diem of Directors

The Company has no other arrangement regarding the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund.

Options Outstanding

The Company has no ESOP program offered to its officers and employees as of December 31, 2024.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

a. Security Ownership of Certain Record and Beneficial Stockholders Holding More Than 5% of Voting Securities as of 18 March 2025

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares	Percent of Class
Common	Philippine National Bank <i>Controlling Stockholder</i>	LT Group, Inc.	Filipino	276,334,773	58.88%

The right to vote or to direct the voting or disposition of the Corporation's shares held by the Philippine National Bank ("PNB") is lodged in the latter's Board of Directors. The proxy to vote the shares of PNB is expected to be given to Mr. Lucio C. Tan III.

b. Security Ownership of Directors and Management as of 18 March 2025

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Beneficial Ownership
Common	Lucio C. Tan	2,328,692	Filipino	0.4962
Common	Karlu T. Say	1	Filipino	Nil
Common	Lucio C. Tan III	1	Filipino	Nil
Common	William T. Lim	1	Filipino	Nil
Common	Cielo Macapagal-Salgado	1	Filipino	Nil
Common	Elaine Y. Co	1	Filipino	Nil
Common	Ma. Cecilia Gonzalez	1	Filipino	Nil
Common	Leonardo J. Matignas, Jr.	1	Filipino	Nil
Common	Eusebio V. Tan	1	Filipino	Nil

Common	Joselito Consunji	0	Filipino	Nil
Common	Maryknoll B. Zamora	0	Filipino	Nil
Common	Carlos Luis L. Fernandez	0	Filipino	Nil
Common	Richard V. Ko	0	Filipino	Nil
Common	Michael Leslie Delos Reyes	0	Filipino	Nil
Common	Gladys Grace K. Uy	0	Filipino	Nil
Common	Mildred Ann M. Gonzales	0	Filipino	Nil
Common	Becky D. Co	0	Filipino	Nil
Common	Winny K. Ong	0	Filipino	Nil
Common	Julio Jude D. Montinola	0	Filipino	Nil
Common	Joane D. Umali	0	Filipino	Nil
Common	Eric R. Potente	0	Filipino	Nil
Common	Arnold B. Gandia	0	Filipino	Nil
Common	Ferdinand M. Dela Rosa	0	Filipino	Nil
Common	Richard C. Naval	0	Filipino	Nil
Common	Eleno A. De Paz	0	Filipino	Nil
Common	Marvin Javier	0	Filipino	Nil
Common	Ernest Chito C. Fernandez	0	Filipino	Nil
Common	John Klein R. Santos	0	Filipino	Nil
Common	Von Edrian A. Villanueva	0	Filipino	Nil
Total		2,328,700		0.4962%

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

c. Voting Trust Holders of 5% or more

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

d. Changes in Control

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

Item 12. Certain Relationships and Related Transactions

Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company has transacted with LT Group, Inc. and other related parties as follows:

Parent Company and Entities under Common Control

Parent Company

LT Group, Inc. (LTG)

Entities under common control

Allianz PNB Life Insurance, Inc.
 Alliedbankers Insurance Corporation
 Asia Brewery, Inc.
 Basic Holdings Corporation
 Eton Properties Management Corporation
 Eton Properties Philippines, Inc.
 Lucky Travel Corporation
 Mabuhay Digital Technologies, Inc.
 Macroasia Corporation
 Macroasia Mining Corporation
 PAL Holdings, Inc.
 Philippine Airlines
 Philippine National Bank
 PNB Capital and Investment Corporation
 PNB Employees Savings and Loans Association Inc.
 PNB General Insurers Co., Inc.
 PNB Retirees and Employees Multi Purpose Cooperative
 PNB Securities, Inc.
 PNB-Mizuho Leasing And Finance Corporation
 Tanduary Brands International, Inc.
 Watery Business Solutions, Inc.

The Company has transacted with its parent and other related parties as follows:

	Financial Statement Account		Amount/Volume			Outstanding Balance			Terms and Conditions
			2024	2023	2022	2024	2023	2022	
With LTG	Lease receivables	c	(P 1,334,134)	P 360,515	P-	P- P1,334,134	P973,619		Unsecured; noninterest-bearing, not impaired
With subsidiaries of LTG	Cash and cash equivalents	a	157,817,718	617,453,780	399,447,891	1,919,251,296	1,761,433,579	1,144,069,799	Deposits and placements; interest-bearing
	Financial assets at FVTPL	b	133,887	185,615	-	3,245,386	3,111,498	2,925,883	Unsecured; noninterest-bearing, not impaired
	Lease receivables	c	(247,507,749)	604,093,345	831,804,941	811,484,449	1,058,992,198	454,898,853	Unsecured; noninterest-bearing, not impaired
	Advance rental	c	(163,272,304)	111,988,706	-	206,287,398	237,036,143	257,570,996	Unsecured; noninterest-bearing

Financial Statement Account		Amount/Volume			Outstanding Balance			Terms and Conditions
		2024	2023	2022	2024	2023	2022	
Security deposit	c	21,367,383	43,967,591	-	227,799,490	206,432,107	162,464,516	Unsecured; noninterest-bearing
Management fees	d	39,821,428	7,939,021	66,594,735	-	39,821,428	47,760,450	Unsecured; noninterest-bearing

As of December 31, 2024, 2023 and 2022, the outstanding related party balances are unsecured and settlement occurs in cash, unless otherwise indicated. The Company has not recorded any impairment of receivables relating to amounts owed by related parties, unless otherwise indicated. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which these related parties operate.

Other terms and conditions related to the above related party balances and transactions are as follows:

- a. The Company's cash in banks and cash equivalents are deposited with PNB. Interest income on its cash in banks and cash equivalents amounted to ₱91.9 million, ₱48.0 million and ₱4.5 million in 2024, 2023 and 2022, respectively (see Notes 4 and 15).
- b. The Company's investment in UITF Peso Money Market Fund recorded under "Financial assets at FVTPL" account is with PNB. Trading gain (loss) on its investment in UITF amounted to ₱133,887, ₱185,615 and (₱19,457) in 2024, 2023 and 2022, respectively (see Note 7).
- c. The Company has various lease contract with its related parties for the use of its office spaces. Outstanding lease receivables as of December 31, 2024, 2023 and 2022 amounted to ₱811.5 million, ₱1,059.0 million and ₱455.9 million, respectively (see Note 6).
- d. The related security deposits and advance rental received amounted to ₱227.8 million and ₱206.3 million as of December 31, 2024, respectively, ₱206.4 million and ₱369.6 million as of December 31, 2023, respectively, and ₱162.5 million and ₱257.6 million as of December 31, 2022, respectively. Total rental income and rental dues recognized amounted to ₱927.8 million, ₱604.1 million and ₱831.8 million in 2024, 2023 and 2022, respectively (see Notes 11 and 13).
- e. The Company has existing service contract agreements with Basic Holdings Corporation, Eton Properties Philippines, Inc. and Eton Properties Management Corporation. Total management fee recognized under "Outside services" amounted to ₱39.8 million, ₱7.9 million and ₱66.59 million in 2024, 2023 and 2022, respectively (see Note 14). Outstanding balance reflected in "Trade and other payables - accounts payable" amounted to nil, ₱39.8 million and ₱47.8 million as of December 31, 2024, 2023 and 2022, respectively (see Note 10).

PART V – CORPORATE GOVERNANCE

Item 13. Compliance with leading practice on Corporate Governance

PNB Holdings Corp (PHC) has consistently demonstrated a commitment to robust and transparent corporate governance, exceeding the requirements mandated by law. In 2024, PHC made significant strides in enhancing its governance framework by increasing the involvement of various governance bodies, strengthening performance management, and ensuring compliance with regulatory bodies and Philippine Accounting Standards.

To achieve governance excellence, PHC implemented several initiatives in 2024. These included conducting various trainings and seminars, developing business contingency plans, adopting a risk-based audit approach, and conducting an independent quality review of the internal audit function. PHC believes these changes will streamline existing business models, improve execution, reduce risks, and better safeguard the interests of its diverse shareholders. PHC is dedicated to promoting and enhancing compliance with good corporate governance practices. Despite not being listed on the PSE and not being covered by the SEC Code of Corporate Governance, PHC requires the observance of best practices and transparency across all departments.

The evaluation system established to measure the compliance of the Board of Directors and top-level management with the Manual of Corporate Governance (the “Manual”) includes a Customer Satisfaction Survey filled out by various functional groups, indicating the compliance rating of institutional units and their activities. The evaluation process also includes a Board Performance Assessment completed by the Board of Directors, indicating compliance ratings. These evaluations are submitted to the Compliance Officer, who issues the required certificate of compliance with the Revised Manual of the SEC.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for managing the company, as well as mechanisms for monitoring and evaluating management’s performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance. There have been no deviations from the Revised Manual. The Company has adopted leading practices and principles of corporate transparency in the Revised Manual and has fully complied since its adoption. PHC continues to take steps to further strengthen adherence to the principles and practices of good corporate governance.

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report: 2024 Audited Financial Statements

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) Reports on SEC Form 17-C

[None]

(c) Reports under SEC Form 17-C filed

[None]

(d) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period

[None]

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on __ March 2025.

By:



Karlu Tan-Say
President



Atty. Carlos Fernandez
Corporate Secretary



Maryknoll B. Zamora
Chief Finance Officer



John Klein R. Santos
Senior Manager / Financial Controller

Form 17-A – Item 7

No.

(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	n.a.
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	n.a.
(8)	Voting Trust Agreement	n.a.
(9)	Material Contracts	n.a.
(10)	2024 Audited Financial Statements	Attachment _
(13)	Letter re: Change in Certifying Accountant	n.a.
(16)	Report Furnished to Security Holders	n.a.
(18)	Subsidiaries of the Registrant	n.a.
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	n.a.
(20)	Consent of Experts and Independent Counsel	n.a.
(21)	Power of Attorney	n.a.
(29)	Additional Exhibits	n.a.

n.a. Not applicable or require no answer.

INDEX TO SUPPLEMENTARY SCHEDULES **Form 17-A, Item 7**

Supplementary Schedules

Report of Independent Public Accountants on Supplementary Schedules

- A. Financial Assets
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C. Accounts Receivable from Related Parties which are eliminated during the Consolidation Period
- D. Long-Term Debt
- E. Indebtedness to Related Parties
- F. Guarantees of Securities of Other Issuers
- G. Capital Stock
- H. Schedule of Use of Bond Proceeds

Other Supporting Schedules

- I. Reconciliation of Retain Earnings Available for Dividend Declaration
- J. Financial Soundness Indicators
- K. Corporate Organizational Chart



Sustainability Report
 Not Applicable



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: March 19, 2025 07:54:34 PM

Company Information

SEC Registration No.: PW00001056

Company Name: PNB HOLDINGS CORP.

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10319202583114566

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

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

The management of **PNB Holdings Corporation** is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

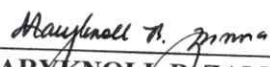
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

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

Signed this 26th day of February 2025


MARYKNOLL B. ZAMORA
Chief Finance Officer


KARLU T. SAY
President


LUCIO C. TAN
Chairman

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	0	0	0	0	1	0	5	6
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COMPANY NAME

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

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

	N	A	
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COMPANY INFORMATION

Company's Email Address

phc.sec.mailbox@pnbholdings.com.ph

Company's Telephone Number

(02) 8814-1678

Mobile Number

0917 585 0068

No. of Stockholders

9

Annual Meeting (Month / Day)

4/21

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Maryknoll B. Zamora

Email Address

maryknoll.zamora@pnbholdings.com.ph

Telephone Number/s

(02) 8814-1678

Mobile Number

0917-585-0094

CONTACT PERSON'S ADDRESS

4th Floor, PNB Makati Center, 6754 Ayala Avenue, Brgy. San Lorenzo, Makati City 1226

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.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
PNB Holdings Corporation
2nd Floor, PNB Financial Center
President Diosdado Macapagal Boulevard, Pasay City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PNB Holdings Corporation (the Company) which comprise the statements of financial position as at December 31, 2024, 2023 and 2022 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, 2023 and 2022 and its financial performance and its 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the 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.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

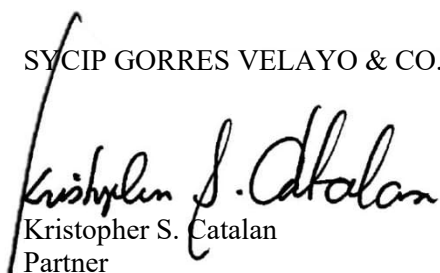
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of PNB Holdings Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

Tax Identification No. 233-299-245

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

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10465281, January 2, 2025, Makati City

February 26, 2025



PNB HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31		
	2024	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 4 and 12)	₱1,919,455,216	₱1,761,523,579	₱1,144,129,799
Trade and other receivables (Note 6)	959,388,279	1,633,870,678	806,665,961
Other current assets (Note 7)	570,242,761	218,599,497	389,410,060
Total Current Assets	3,449,086,256	3,613,993,754	2,340,205,820
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI) (Note 5)	218,028,591	161,930,944	154,829,171
Investment properties (Note 8)	46,176,006,148	46,227,211,551	46,386,357,605
Property and equipment (Note 9)	311,153,431	25,609,926	171,246
Deferred income tax assets - net (Note 17)	—	1,574,440	15,124,999
Total Noncurrent Assets	46,705,188,170	46,416,326,861	46,556,483,021
TOTAL ASSETS	₱50,154,274,426	₱50,030,320,615	₱48,896,688,841
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables (Note 10)	₱431,512,283	₱416,700,924	₱294,870,904
Current portion of deposits and other current liabilities (Note 11)	58,108,682	300,721,899	90,124,721
Income tax payable	—	9,745,679	44,840,354
Total Current Liabilities	489,620,965	727,168,502	429,835,979
Noncurrent Liabilities			
Deposits and other noncurrent liabilities - net of current portion (Note 11)	451,291,427	711,492,498	494,998,209
Retirement liability (Note 16)	5,646,594	—	—
Deferred income tax liabilities - net (Note 17)	41,379,376	—	—
Total Noncurrent Liabilities	498,317,397	711,492,498	494,998,209
Total Liabilities	987,938,362	1,438,661,000	924,834,188
Equity			
Capital stock (Note 18)	46,932,100,000	46,932,100,000	46,932,100,000
Retained earnings (Note 18)	2,067,653,217	1,538,663,312	929,144,857
Other comprehensive income (Notes 5 and 16)	166,582,847	120,896,303	110,609,796
Total Equity	49,166,336,064	48,591,659,615	47,971,854,653
TOTAL LIABILITIES AND EQUITY	₱50,154,274,426	₱50,030,320,615	₱48,896,688,841

See accompanying Notes to Financial Statements.



PNB HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
INCOME			
Rental income and dues (Notes 8 and 13)	₱1,337,451,049	₱1,394,790,366	₱1,421,787,347
Interest and other income (Note 13)	94,029,406	49,289,629	77,379,660
	1,431,480,455	1,444,079,995	1,499,167,007
COSTS AND EXPENSES			
Cost of rental income (Notes 8 and 14)	(575,052,738)	(609,031,113)	(576,817,791)
General and administrative expenses (Note 14)	(180,392,644)	(95,027,983)	(32,533,585)
Finance charges (Note 15)	(12,947)	(1,534)	(1,336,984)
	(755,458,329)	(704,060,630)	(610,688,360)
INCOME BEFORE INCOME TAX	676,022,126	740,019,365	888,478,647
PROVISION FOR INCOME TAX (Note 17)			
Current	111,827,564	118,765,619	187,143,301
Deferred	35,204,657	11,735,291	34,468,055
	147,032,221	130,500,910	221,611,356
NET INCOME	528,989,905	609,518,455	666,867,291
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that recycles to profit or loss in subsequent periods</i>			
Net changes in unrealized losses on financial assets at FVOCI (Note 5)	(180,452)	(20,128)	(582,745)
<i>Item that does not recycle to profit or loss in subsequent periods</i>			
Net changes in unrealized gains on financial assets at FVOCI, net of deferred income tax effect (Note 5)	47,863,452	10,306,635	40,377,412
Actuarial loss on retirement liability, net of deferred income tax effect (Note 16)	(1,996,456)	—	—
	45,886,996	10,306,635	40,377,412
	45,686,544	10,286,507	39,794,667
TOTAL COMPREHENSIVE INCOME	₱574,676,449	₱619,804,962	₱706,661,958
BASIC AND DILUTED EARNINGS PER SHARE (Note 20)	₱1.127	₱1.299	₱1.421

See accompanying Notes to Financial Statements.



PNB HOLDINGS CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Capital Stock (Note 18)	Retained Earnings (Note 18)		Other Comprehensive Income (Loss)		Total	Total
		Unappropriated	Appropriated	Net Unrealized Gains on Financial Assets at FVOCI (Note 5)	Actuarial Loss on Retirement Liability (Note 16)		
BALANCES AS AT JANUARY 1, 2022	₱46,932,100,000	₱261,277,566	₱1,000,000	₱70,815,129	₱–	₱70,815,129	₱47,265,192,695
Net income	–	666,867,291	–	–	–	–	666,867,291
Other comprehensive income	–	–	–	39,794,667	–	39,794,667	39,794,667
Total comprehensive income	–	666,867,291	–	39,794,667	–	39,794,667	706,661,958
Reversal of appropriated retained earnings	–	1,000,000	(1,000,000)	–	–	–	–
BALANCES AS AT DECEMBER 31, 2022	46,932,100,000	929,144,857	–	110,609,796	–	110,609,796	47,971,854,653
Net income	–	609,518,455	–	–	–	–	609,518,455
Other comprehensive income	–	–	–	10,286,507	–	10,286,507	10,286,507
Total comprehensive income	–	609,518,455	–	10,286,507	–	10,286,507	619,804,962
BALANCES AS AT DECEMBER 31, 2023	46,932,100,000	1,538,663,312	–	120,896,303	–	120,896,303	48,591,659,615
Net income	–	528,989,905	–	–	–	–	528,989,905
Other comprehensive income (loss)	–	–	–	47,683,000	(1,996,456)	45,686,544	45,686,544
Total comprehensive income (loss)	–	528,989,905	–	47,683,000	(1,996,456)	45,686,544	574,676,449
BALANCES AS AT DECEMBER 31, 2024	₱46,932,100,000	₱2,067,653,217	₱–	₱168,579,303	(₱1,996,456)	₱166,582,847	₱49,166,336,064

See accompanying Notes to Financial Statements.



PNB HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱676,022,126	₱740,019,365	₱888,478,647
Adjustments for:			
Depreciation (Notes 8 and 9)	173,966,779	161,150,958	158,931,941
Interest income (Notes 4, 5 and 13)	(92,130,176)	(48,605,110)	(6,014,706)
Retirement benefits cost (Notes 14 and 16)	2,984,652	—	—
Mark-to-market gain on financial assets at FVTPL (Notes 7 and 13)	(112,843)	(131,612)	(41,495)
Interest expense and other finance charges (Note 15)	12,947	1,534	1,336,984
Day 1 gain on security deposits (Note 13)	—	—	(2,251,276)
Operating income before working capital changes	760,743,485	852,435,135	1,040,440,095
Decrease (increase) in:			
Trade and other receivables	682,327,225	(825,231,031)	(549,377,140)
Other current assets	(327,285,831)	175,942,175	6,983,827
Increase (decrease) in:			
Trade and other payables	14,798,414	121,828,488	134,689,504
Deposits and other liabilities	(502,814,288)	427,091,467	(12,131,173)
Cash generated from operations	627,769,005	747,066,234	620,605,113
Income taxes paid, including final tax	(143,856,627)	(153,860,294)	(226,660,376)
Interest received	82,324,140	46,631,424	5,711,373
Net cash provided by operating activities	566,236,518	639,837,364	399,656,110
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 9)	(408,304,881)	(27,443,584)	(208,219)
Retirement of financial assets at FVOCI (Note 5)	—	5,000,000	—
Net cash used in investing activities	(408,304,881)	(22,443,584)	(208,219)
NET INCREASE IN CASH AND CASH EQUIVALENTS	157,931,637	617,393,780	399,447,891
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,761,523,579	1,144,129,799	744,681,908
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 4 and 12)	₱1,919,455,216	₱1,761,523,579	₱1,144,129,799

See accompanying Notes to Financial Statements.



PNB HOLDINGS CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

Corporate Information

PNB Holdings Corporation (the “Company”) was incorporated in the Philippines on May 20, 1920 to invest, subscribe for, sell, transfer, exchange or otherwise dispose of all kinds of stocks, bonds, certificates of deposit, contract of instruments whatsoever representing evidence of title or interest in the capital of any property or assets and leases of all kinds.

The Revised Corporation Code, Republic Act No. 11232, which took effect in 2019 provides that corporations with certificates of incorporation issued prior to the effectivity of this Code, and which continue to exist, shall have perpetual existence, unless the corporation, upon a vote of its stockholders representing a majority of its outstanding capital stock, notifies the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation.

On October 9, 2020, the Company’s Board of Directors (BOD) and stockholders approved the amendments to the secondary purposes of the Company to invest and acquire by purchase, transfer, exchange or otherwise, to own, use, improve, develop, operate, sell, assign, transfer, exchange, lease, mortgage, pledge, and the like, any or all properties of every kind and description and wherever situated and as to the extent permitted by law (including but not limited to real estate, and any right or interest therein), to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to develop, conduct, operate and maintain the real estate business, such as but not limited to the operation, maintenance of commercial spaces for rent, to construct, erect, manage, and administer buildings for commercial, residential, or mixed use purposes to engage in any and all kinds of real estate business. This was subsequently approved by the Philippine Securities and Exchange Commission (SEC) on January 13, 2021.

On October 20, 2020, the Company’s BOD and stockholders approved the increase of its authorized capital stock from ₱500.0 million divided into 5.0 million shares with a par value of ₱100.0 per share to ₱50,500.0 million divided into 505.0 million shares with a par value of ₱100.0 per share. On December 11, 2020, the Company filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the SEC on January 13, 2021. Out of the increase in the authorized capital stock of 500.0 million shares, 466.8 million with a par value of ₱100.0 per share have been subscribed by Philippine National Bank (PNB) through the exchange of real estate properties (see Note 8). This resulted to the Company becoming a wholly owned subsidiary of the bank.

On April 23, 2021, PNB’s BOD approved the property dividend declaration of up to 239,353,710 common shares of PNB Holdings Corporation, representing 51.00% ownership, with a par value of ₱100 per share, to all stockholders of record as of May 18, 2021, or ₱23.9 billion. On December 24, 2021, the Philippine SEC issued a certificate of filing the notice of property dividend declaration.

The Company’s intermediate parent company is LT Group Inc., a publicly-listed company incorporated and domiciled in the Philippines. The Company’s ultimate parent company, Tangent Holdings Corporation, is incorporated in the Philippines.

The Company’s registered business address is 2nd Floor, PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City, Philippines.



Authorization for Issuance of the Financial Statements

The financial statements of the Company as at December 31, 2024, 2023 and 2022 and for each of the three years in the period ended December 31, 2024 were authorized for issuance by the BOD on February 26, 2025.

2. Summary of Material Accounting Policies

Basis of Preparation and Statement of Compliance

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) and are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All amounts are rounded to the nearest Peso except when otherwise indicated.

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Financial Reporting Standards Council (FRSC). PFRSs include statements named PFRSs, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by FRSC.

PFRS Accounting Standards require an entity to present at a minimum a complete set of financial statements for the preceding year, including comparative amounts in the notes to the financial statements. While not mandatory, the Company voluntarily presented a complete set of financial statements, including the notes thereto, for the two preceding comparative periods to help the users of the financial statements.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 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, *Disclosures: 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.



Standards Issued but not yet Effective

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

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*

Financial Instruments - Classification and Measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under PFRS 15.

As of December 31, 2024, 2023 and 2022, the Company's financial assets pertain to financial assets at amortized cost (debt instrument), fair value through profit or loss (FVTPL) and fair value through OCI (FVOCI).

Financial assets at FVTPL

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.



The Company determines the appropriate classification of financial assets at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified. Classification of financial assets is determined by both the contractual cash flow characteristics of the financial assets (cash flow characteristics test) and the Company's business model for managing the financial assets (business model test). The Company first assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (Solely Payment of Principal and Interest (SPPI) test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than insignificant exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL. Only financial assets that pass the SPPI test are eligible to be measured at FVOCI or at amortized cost.

The Company determines its business model at the level that best reflects how it manages Company of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets at FVOCI

The Company's financial assets at FVOCI include quoted debt and equity securities. After initial measurement, financial assets at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of financial assets at FVOCI are excluded, as applicable, from the reported earnings and are included in the statement of comprehensive income as "Net changes in unrealized gains on financial assets at FVOCI".

Debt securities at FVOCI are those that meet both the following conditions: (i) the asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. The effective yield component of debt securities at FVOCI, as well as the impact of the restatement of foreign currency-denominated debt securities at FVOCI, is reported in profit or loss. Interest earned on holding debt securities at FVOCI are reported as 'Interest' in profit or loss using the effective interest rate (EIR) method.

When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the other comprehensive income (OCI) is recognized in the profit or loss. Where the Company holds more than one investment in the same security, these are deemed to be disposed based on specific identification. The expected credit losses (ECL) arising from impairment of such investments are recognized in OCI with a corresponding charge to "Provision for ECL" in profit or loss.

Equity securities designated at FVOCI are those that the Company made an irrevocable election at initial recognition to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the statement of comprehensive income under "Other income" when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are adjusted to the carrying amount of the investment. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement



of comprehensive income is reclassified to “Retained earnings” or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and refundable deposits, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company’s policy to measure ECLs on such instruments on a 12-month basis.

Investment Properties

Investment properties are measured initially at its deemed cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be directly measured in which case the investment property acquired is measured at the carrying amount of the asset given up. The fair value at the date of receipt of the investment properties is considered its deemed cost.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment loss, if any.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged against income in the year in which the costs are incurred, unless they meet the capitalization criteria under applicable accounting standards. According to standards, subsequent expenditure should be recognized in the carrying amount of the investment property if it is expected to produce future economic benefits to the entity and its costs can be reliably measured.

Depreciation of investment properties commences once these are available for use and is computed on a straight-line basis over the estimated useful lives of the investment properties as follows:

Category	Years
Buildings	17 to 25
Condominium units	50
Building improvements	10



Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment properties when, and only 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 properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

The disclosure of the fair value of investment properties is determined by a Philippine SEC-accredited and independent valuer based on Market Approach using sales and listings of comparable properties having same potential use with the investment properties owned by the Company.

Asset Under Construction

Construction in progress represents costs incurred for the construction of buildings, infrastructure, and other capital projects that are not yet completed. These costs include materials, labor, and overhead directly attributable to the construction activities. Upon completion, the total cost of the project is transferred to the appropriate asset category and depreciated over its useful life.

Expenditures related to construction in progress are capitalized when they meet the criteria for recognition as an asset. Costs that do not meet these criteria are expensed as incurred. The capitalization of costs ceases when the asset is ready for its intended use.

Construction in progress is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds the recoverable amount.

Leases

The Company as lessor

In operating leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset, the Company recognizes rental income on a straight-line basis over the lease terms. The Company adds back the initial direct costs incurred in negotiating and arranging an operating lease to the carrying amount of the leased asset and recognizes them as rental income over the lease term on the same basis.

Employee Benefits

Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits

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



The Company recognizes retirement benefits cost, comprising of current service costs and interest costs in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements pertaining to actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement liability is the present value of the defined benefit obligation. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Revenue, Income and Cost Recognition

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

Rental income

Rental income arising on leased properties under operating lease is accounted for on a straight-line basis over the lease terms on ongoing leases.

Charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants recorded as “Rental dues” is recognized in the period in which the compensation becomes receivable. The Company is acting as a principal.

Cost of rental income

Cost of rental income is recognized in relation to the leasing activities of the Company. This includes depreciation of the investment properties being leased out, real property taxes and other directly attributable costs.

Interest income

Interest on held-for-trading investments is recognized based on contractual rate. Interest on financial instruments measured at amortized cost and FVOCI are recognized based on effective interest method of accounting to calculate the amortized cost of a financial asset or a financial liability and allocate the interest income or interest expense.

The Company records interest income using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. In calculating EIR, the Company considers all contractual terms of the financial instrument (for example, prepayment options), and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The Company adjusts the carrying amount of the financial instrument through “Finance charges” in the statement of comprehensive income based on the original EIR.

Mark-to-market gain on financial asset at FVTPL

The Company recognizes in “Other income (charges)” the results arising from trading activities, all gains and losses from changes in fair value of financial assets at FVTPL, and gains and losses from disposal of debt securities at FVOCI.



Income Taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in profit or loss in the statements of comprehensive income, except to the extent that it relates to items directly recognized in OCI.

Current tax

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

Deferred tax

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

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

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

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

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

Current income tax and deferred income tax relating to items recognized directly in OCI are recognized in the statement of comprehensive income.

Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basic and diluted EPS is calculated by dividing the net income by the weighted average number of capital stock outstanding during the year.



Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The operating results of an operating segment are reviewed regularly by the chief operating decision maker to determine the resources to be allocated to the segment and assess its performance, and for which financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire investment properties and property and equipment.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements requires the Company to exercise judgments, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the financial statements as they become reasonably determinable.

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

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the financial statements as they become reasonably determinable.

Provision for expected credit losses of trade and other receivables and refundable deposits

The Company uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, property collaterals and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates.

The Company uses low credit risks simplification for cash in banks, refundable deposits and government securities at FVOCI.

The assessment of the correlation between historical observed default rates, forecast economic conditions (i.e., gross domestic product) and ECLs are significant estimates. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 6.



Operating lease commitments - the Company as lessor

The Company has entered into commercial property leases of its investment property. The Company has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases (see Notes 8 and 19).

Determination of fair value of financial and nonfinancial instruments

Where the fair values of financial and nonfinancial instruments recorded or disclosed in the financial statements are derived from available market data, they are determined using external valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values (see Notes 8 and 22).

Assessment of impairment of noncurrent nonfinancial assets and estimation of recoverable amount

The Company evaluates its nonfinancial assets, which include investment properties for any impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Company estimates the recoverable amount as the higher of the asset's fair value less costs to sell and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial 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 as follows:

Estimation of allowance for expected credit losses of debt instruments at amortized cost

The level of allowance for loans and receivables is evaluated by management based on past collection history and other factors which include, but are not limited to the length of the Company's relationship with the customer, the customer's payment behavior and known market factors that affect the collectability of the accounts.

As of December 31, 2024, 2023 and 2022, allowance for ECL amounted to ₱20.0 million, ₱20.0 million and ₱36.8 million, respectively (see Note 6).

Other than these, there has been no movement in the allowance for expected credit losses. This is following the management's assessment that all outstanding receivables are collectible during the ordinary course of business.

Estimation of useful lives of nonfinancial assets

The Company estimates the useful lives of its nonfinancial assets based on the period over which the assets are expected to be available for use. The estimated useful lives of the nonfinancial assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of nonfinancial assets would increase depreciation and amortization expense and decrease noncurrent assets.



There were no changes in the estimated useful lives of depreciable nonfinancial assets in 2024, 2023 and 2022. The carrying values of the Company's investment properties (excluding land) amounted to ₱2,904.0 million, ₱2,955.2 million and ₱3,114.4 million as of December 31, 2024, 2023 and 2022, respectively (see Note 8). The carrying values of the Company's property and equipment (excluding construction in progress) amounted to ₱30.0 million, ₱14.3 million and ₱0.1 million as of December 31, 2024, 2023 and 2022, respectively (see Note 9).

Recognition of deferred income tax assets

The Company reviews the carrying amounts at each financial reporting date and adjusts deferred income 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 income tax assets to be utilized. The determination of future taxable profits requires the estimation and use of assumptions about the Company's future taxable income and timing of reversal of temporary differences. The Company recognized deferred income tax assets of ₱72.8 million, ₱69.3 million and ₱89.0 million as of December 31, 2024, 2023 and 2022, respectively (see Note 17).

4. Cash and Cash Equivalents

	2024	2023	2022
Cash on hand	₱104,440	₱90,000	₱60,000
Cash in banks (Note 12)	429,822,607	527,376,943	545,238,895
Cash equivalents (Note 12)	1,489,528,169	1,234,056,636	598,830,904
	₱1,919,455,216	₱1,761,523,579	₱1,144,129,799

Cash in banks and cash equivalents earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks and cash equivalents amounted to ₱91.9 million, ₱48.0 million and ₱4.5 million in 2024, 2023 and 2022, respectively (see Notes 12 and 15).

5. Financial Assets at FVOCI

This account consists of:

	2024	2023	2022
Equity securities	₱212,400,000	₱156,121,901	₱144,000,000
Government securities	5,628,591	5,809,043	10,829,171
	₱218,028,591	₱161,930,944	₱154,829,171

In 2024, 2023 and 2022, effective annual interest rate of government securities ranges from 5.38% to 6.13%, 5.49% to 6.60% and 2.05% to 7.50%, respectively. Interest income earned on financial assets at FVOCI amounted to ₱0.3 million in 2024, ₱0.6 million in 2023, and ₱1.5 million in 2022 (see Note 15).



The movements in the net unrealized gains on financial assets at FVOCI follow:

	2024	2023	2022
Balance at beginning of year	₱120,896,303	₱110,609,796	₱70,815,129
<i>Recycles to profit or loss in subsequent periods</i>			
Changes in fair values of government securities	(180,452)	(20,128)	(582,745)
<i>Does not recycle to profit or loss in subsequent periods</i>			
Changes in fair values of equity securities	₱56,278,099	₱12,121,901	₱47,400,000
	56,097,647	12,101,773	46,817,255
Deferred income tax effect	(8,414,647)	(1,815,266)	(7,022,588)
Net changes in unrealized gains	47,683,000	10,286,507	39,794,667
Balance at end of year	₱168,579,303	₱120,896,303	₱110,609,796

The movements of financial assets at FVOCI follow:

	2024	2023	2022
Balance at beginning of year	₱161,930,944	₱154,829,171	₱108,011,916
Net unrealized fair value gains	56,097,647	12,101,773	46,817,255
Retirement	—	(5,000,000)	—
Balance at end of year	₱218,028,591	₱161,930,944	₱154,829,171

6. Trade and Other Receivables

	2024	2023	2022
Lease receivables (Note 12)	₱948,466,205	₱1,627,479,561	₱822,928,436
Interest	10,318,473	2,473,647	499,961
Others	20,624,734	23,938,603	20,021,133
	979,409,412	1,653,891,811	843,449,530
Allowance for ECL	(20,021,133)	(20,021,133)	(36,783,569)
	₱959,388,279	₱1,633,870,678	₱806,665,961

Rollforward of allowance for ECL follows:

	2024	2023	2022
Beginning of year	₱20,021,133	₱36,783,569	₱105,855,752
Write-off	—	(16,762,436)	—
Reversal (Note 13)	—	—	(69,072,183)
End of year	₱20,021,133	₱20,021,133	₱36,783,569

Other receivable pertains to advances made to the National Government in relation to the Company's sugar trading operations in the past amounting to ₱20.0 million. A favorable judgment from the office of the Solicitor General on the arbitration case against the Bureau of Treasury involving said advances was affirmed by the Department of Justice in 1998. However, it is not yet certain when the loans and receivables will finally be collected by the Company. As of December 31, 2024, 2023 and 2022, these receivables aggregating to ₱20.0 million were fully provided with allowance for credit losses.



Other than these, there has been no movement in the allowance for expected credit losses.

7. Other Current Assets

	2024	2023	2022
Deferred rent assets	₱312,141,836	₱22,430,501	₱182,693,772
Prepayments:			
Real property taxes	147,251,899	137,317,725	137,063,662
Others	6,181,650	839,536	839,797
Advances to contractors and suppliers	70,901,622	18,669,750	31,792,812
Creditable withholding tax	24,244,590	—	—
Financial assets at FVTPL (Note 12)	3,278,815	3,165,972	3,034,360
Refundable deposits	1,778,227	25,618,246	25,593,446
Others	4,464,122	10,557,767	8,392,211
	₱570,242,761	₱218,599,497	₱389,410,060

- Deferred rent assets pertain to difference of rental income based on lease terms over rental income using straight line basis (see Note 19).
- Other prepayments consist of annual fees and licenses for the building, association dues and other prepaid expenses.
- Advances to contractors and suppliers are recouped every settlement of progress billings based on percentage of accomplishment of each contract package. The activities related to these advances will be completed within the Company's normal operating cycle.
- Financial assets at FVTPL

This account consists of the following:

	2024	2023	2022
Investment in UITF (Note 12)	₱3,245,385	₱3,111,498	₱2,925,883
Equity securities	33,430	54,474	108,477
	₱3,278,815	₱3,165,972	₱3,034,360

The Company recognized net trading gains on financial assets at FVTPL as follows:

	2024	2023	2022
Unrealized fair value gains (losses):			
Investment in UITF (Note 12)	₱133,887	₱185,615	(₱19,457)
Equity securities	(21,044)	(54,003)	60,952
	₱112,843	₱131,612	₱41,495



The movements of financial assets at FVTPL follow:

	2024	2023	2022
Balance at beginning of year	₱3,165,972	₱3,034,360	₱2,992,865
Mark-to-market gain on financial assets at FVTPL	112,843	131,612	41,495
Balance at end of year	₱3,278,815	₱3,165,972	₱3,034,360

- e. Refundable deposits consist principally of amounts paid to utility providers for service applications.
- f. Other current assets consist of advances to officers and employees, input VAT and miscellaneous assets.

8. Investment Properties

	2024			
	Land	Buildings and Building Improvements	Condominium Units	Total
Cost				
Beginning of year	₱43,271,988,143	₱3,405,011,857	₱35,213,415	₱46,712,213,415
Transfers (Note 9)	—	115,246,889	—	115,246,889
End of year	43,271,988,143	3,520,258,746	35,213,415	46,827,460,304
Accumulated Depreciation				
Beginning of year	—	469,785,857	15,216,007	485,001,864
Depreciation (Note 14)	—	165,741,168	711,124	166,452,292
End of year	—	635,527,025	15,927,131	651,454,156
Net Book Values	₱43,271,988,143	₱2,884,731,721	₱19,286,284	₱46,176,006,148

	2023			
	Land	Buildings and Building Improvements	Condominium Units	Total
Cost				
Beginning and end of year	₱43,271,988,143	₱3,405,011,857	₱35,213,415	₱46,712,213,415
Accumulated Depreciation				
Beginning of year	—	311,264,984	14,590,826	325,855,810
Depreciation (Note 14)	—	158,520,873	625,181	159,146,054
End of year	—	469,785,857	15,216,007	485,001,864
Net Book Values	₱43,271,988,143	₱2,935,226,000	₱19,997,408	₱46,227,211,551

	2022			
	Land	Buildings and Building Improvements	Condominium Units	Total
Cost				
Beginning and end of year	₱43,271,988,143	₱3,405,011,857	₱35,213,415	₱46,712,213,415
Accumulated Depreciation				
Beginning of year	—	153,081,140	13,879,702	166,960,842
Depreciation (Note 14)	—	158,183,844	711,124	158,894,968
End of year	—	311,264,984	14,590,826	325,855,810
Net Book Values	₱43,271,988,143	₱3,093,746,873	₱20,622,589	₱46,386,357,605



- a. Rental income arising from the investment properties amounted to ₱1,047.6 million in 2024, ₱1,110.4 million in 2023 and ₱1,107.6 million in 2022 (see Notes 12 and 13). Direct costs arising from the investment properties amounted to ₱575.1 million in 2024, ₱609.0 million in 2023 and ₱576.8 million in 2022 (see Notes 12 and 14).

Depreciation of investment properties amounting to ₱166.5 million in 2024, ₱159.1 million in 2023 and ₱158.9 million in 2022 was recognized as part of “Cost of rental income” account (see Note 14).

- b. The estimated fair value of land, condominium units, and buildings for lease are as follows:

Property	Approach	Fair Value as of December 31		
		2024	2023	2022
Land	Market approach	₱68,706,456,000	₱61,973,056,000	₱53,181,451,800
Buildings for lease	Market approach	12,190,636,700	10,088,841,000	2,939,719,000
Condominium units	Market approach	170,243,000	162,947,000	151,935,000
		₱81,067,335,700	₱72,224,844,000	₱56,273,105,800

The estimated fair value of the investment properties was arrived at using the Market Approach. In this approach, the value of the investment properties was based on sales and listings of comparable property having the same potential use with the subject properties (e.g., for future development, for rent) registered within the vicinity. The approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator.

The valuations were performed by a Philippine SEC-accredited and independent valuer. The valuation model used in accordance with that recommended by the International Valuation Standards Council has been applied. These valuation models are consistent with the principles in PFRS 13, *Fair Value Measurement*.

The fair values of investment properties for lease were updated to reflect the value of comparable property registered within the vicinity as of December 31, 2024. The valuation of the buildings for lease has been updated to reflect utilization from the dates of the latest valuation.

The fair values of the Company’s investment properties have been determined by the appraisal method by accredited independent external appraiser based on highest and best use of property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

Description of the valuation techniques used in the valuation of Company’s investment properties is as follows:

Valuation Techniques

Market Data Approach

A process of comparing the subject property being appraised based on the property’s highest and best use (i.e., current use of the properties) to similar comparable properties recently sold or being offered for sale.



Significant Unobservable Inputs

Price per square meter	Ranges from ₱84,000 to ₱1,718,000 in 2024, ₱78,600 to ₱900,000 in 2023 and ₱72,000 to ₱900,000 in 2022.
Reproduction cost new	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of unit in terms of area. Evaluate if the unit size of property or comparable conforms to the average cut of the units in the area and estimate the impact of unit size differences on condominium unit values.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time element	“An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors’ perceptions of the market over time”. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

- c. As disclosed in Note 1, the Company increased its authorized capital stock from ₱500.0 million divided into 5.0 million shares with a par value of ₱100.0 per share to ₱50,500.0 million divided into 505.0 million shares with a par value of ₱100.0 per share. Out of the increase in the authorized capital stock of 500.0 million shares, 466.8 million shares with a par value of ₱100.0 per share have been subscribed by PNB through the exchange of real estate properties (see Note 18) which was recorded initially at fair value amounting to ₱46,677.0 million in 2021.



9. Property and Equipment

2024				
	Furniture, Fixtures & Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost				
Beginning of year	₱7,768,464	₱8,566,649	₱11,316,690	₱27,651,803
Additions	10,825,756	12,385,078	385,094,047	408,304,881
Transfers (Note 8)	—	—	(115,246,889)	(115,246,889)
End of year	18,594,220	20,951,727	281,163,848	320,709,795
Accumulated Depreciation				
Beginning of year	1,756,322	285,555	—	2,041,877
Depreciation (Note 14)	4,576,002	2,938,485	—	7,514,487
End of year	6,332,324	3,224,040	—	9,556,364
Net Book Values	₱12,261,896	₱17,727,687	₱281,163,848	₱311,153,431

2023				
	Furniture, Fixtures & Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost				
Beginning of year	₱208,219	₱—	₱—	₱208,219
Additions	7,560,245	8,566,649	11,316,690	27,443,584
End of year	7,768,464	8,566,649	11,316,690	27,651,803
Accumulated Depreciation				
Beginning of year	36,973	—	—	36,973
Depreciation (Note 14)	1,719,349	285,555	—	2,004,904
End of year	1,756,322	285,555	—	2,041,877
Net Book Values	₱6,012,142	₱8,281,094	₱11,316,690	₱25,609,926

2022				
	Furniture, Fixtures & Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost				
Beginning of year	₱—	₱—	₱—	₱—
Additions	208,219	—	—	208,219
End of year	208,219	—	—	208,219
Accumulated Depreciation				
Beginning of year	—	—	—	—
Depreciation (Note 14)	36,973	—	—	36,973
End of year	36,973	—	—	36,973
Net Book Values	₱171,246	₱—	₱—	₱171,246



10. Trade and Other Payables

	2024	2023	2022
Taxes payable:			
Deferred output VAT payable	₱124,108,332	₱227,380,190	₱136,761,064
Output tax payable	52,483,846	6,173,393	11,290,960
Other tax payable	6,701,768	4,430,996	2,971,752
Accrued expenses	147,312,602	93,355,447	23,058,571
Accounts payable (Note 12)	94,415,088	85,360,898	120,784,411
Others	6,490,647	—	4,146
	₱431,512,283	₱416,700,924	₱294,870,904

- a. Taxes payable includes output VAT, deferred output VAT, documentary stamp taxes and expanded withholding taxes payable to the Philippine tax authority.
- b. Accounts payable includes amount payable to suppliers which are normally settled within the Company's normal operating cycle.
- c. Accrued expenses represent various accruals such as utilities and association dues of the Company for its expenses.
- d. Other payables consist of advances from officers, retention payable and other nontrade payables.

11. Deposits and Other Liabilities

	2024	2023	2022
Security and other deposits (Note 12)	₱242,086,226	₱755,079,046	₱266,000,286
Advance rentals (Note 12)	267,313,883	257,135,351	319,122,644
	509,400,109	1,012,214,397	585,122,930
Less current portion of:			
Security and other deposits	29,349,886	288,047,183	77,450,005
Advance rentals	28,758,796	12,674,716	12,674,716
	58,108,682	300,721,899	90,124,721
	₱451,291,427	₱711,492,498	₱494,998,209

Security and other deposits pertain to the amounts paid by tenants at the inception of the lease which are refundable at the end of the lease term. Security and other deposits are initially recorded at fair value, which was obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Advance rentals pertain to deposits from tenants which will be applied against receivables either at the beginning or at the end of lease term, depending on the lease contract.



12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company has transacted with LT Group, Inc. and other related parties as follows:

Parent Company and Entities under Common Control

Parent Company

LT Group, Inc. (LTG)

Entities under common control

Allianz PNB Life Insurance, Inc.

Alliedbankers Insurance Corporation

Asia Brewery, Inc.

Basic Holdings Corporation

Eton Properties Management Corporation

Eton Properties Philippines, Inc.

Lucky Travel Corporation

Mabuhay Digital Technologies, Inc.

Macroasia Corporation

Macroasia Mining Corporation

PAL Holdings, Inc.

Philippine Airlines

Philippine National Bank

PNB Capital and Investment Corporation

PNB Employees Savings and Loans Association Inc.

PNB Retirees and Employees Multi Purpose Cooperative

PNB Securities, Inc.

PNB-Mizuho Leasing and Finance Corporation

Tanduay Brands International, Inc.

Watergy Business Solutions, Inc.



The Company has transacted with its parent and other related parties as follows:

	Financial Statement Account		Amount/Volume			Outstanding Balance			Terms and Conditions
			2024	2023	2022	2024	2023	2022	
With LTG	Lease receivables	c	(P1,334,134)	P360,515	P-	P-	P1,334,134	P973,619	Unsecured; noninterest-bearing, not impaired
With subsidiaries of LTG	Cash and cash equivalents	a	157,817,718	617,453,780	399,447,891	1,919,251,296	1,761,433,579	1,144,069,799	Deposits and placements; interest-bearing
	Financial assets at FVTPL	b	133,887	185,615	-	3,245,386	3,111,498	2,925,883	Unsecured; noninterest-bearing, not impaired
	Lease receivables	c	(247,507,749)	604,093,345	831,804,941	811,484,449	1,058,992,198	454,898,853	Unsecured; noninterest-bearing, not impaired
	Advance rental	c	(163,272,304)	111,988,706	-	206,287,398	237,036,143	257,570,996	Unsecured; noninterest-bearing
	Security deposit	c	21,367,383	43,967,591	-	227,799,490	206,432,107	162,464,516	Unsecured; noninterest-bearing
	Management fees	d	39,821,428	7,939,021	66,594,735	-	39,821,428	47,760,450	Unsecured; noninterest-bearing

As of December 31, 2024, 2023 and 2022, the outstanding related party balances are unsecured and settlement occurs in cash, unless otherwise indicated. The Company has not recorded any impairment of receivables relating to amounts owed by related parties, unless otherwise indicated. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which these related parties operate.

Other terms and conditions related to the above related party balances and transactions are as follows:

- The Company's cash in banks and cash equivalents are deposited with PNB. Interest income on its cash in banks and cash equivalents amounted to P91.9 million, P48.0 million and P4.5 million in 2024, 2023 and 2022, respectively (see Notes 4 and 15).
- The Company's investment in UITF Peso Money Market Fund recorded under "Financial assets at FVTPL" account is with PNB. Trading gain (loss) on its investment in UITF amounted to P133,887, P185,615 and (P19,457) in 2024, 2023 and 2022, respectively (see Note 7).
- The Company has various lease contract with its related parties for the use of its office spaces. Outstanding lease receivables as of December 31, 2024, 2023 and 2022 amounted to P811.5 million, P1,059.0 million and P455.9 million, respectively (see Note 6).

The related security deposits and advance rental received amounted to P227.8 million and P206.3 million as of December 31, 2024, respectively, P206.4 million and P237.0 million as of December 31, 2023, respectively, and P162.5 million and P257.6 million as of December 31, 2022, respectively. Total rental income and rental dues recognized amounted to P927.8 million, P604.1 million and P831.8 million in 2024, 2023 and 2022, respectively (see Notes 11 and 13).



- d. The Company has existing service contract agreements with Basic Holdings Corporation, Eton Properties Philippines, Inc. and Eton Properties Management Corporation. Total management fee recognized under “Outside services” amounted to ₱39.8 million, ₱7.9 million and ₱66.59 million in 2024, 2023 and 2022, respectively (see Note 14). Outstanding balance reflected in “Trade and other payables - accounts payable” amounted to nil, ₱39.8 million and ₱47.8 million as of December 31, 2024, 2023 and 2022, respectively (see Note 10).

13. Income

Rental Income and Dues

- a. Breakdown as follows:

	2024	2023	2022
Rental income (Notes 8 and 12)	₱1,047,557,361	₱1,110,371,106	₱1,107,580,584
Rental dues (Notes 8 and 12)	289,893,688	284,419,260	314,206,763
	₱1,337,451,049	₱1,394,790,366	₱1,421,787,347

Rental dues are recognized over time. Rental dues are earned and collected from commercial tenants. There are no contract balances related to the rental dues as of December 31, 2024, 2023 and 2022.

- b. Performance Obligations

The Company recognizes rental dues charged to tenants using an input method to measure progress towards complete satisfaction of the services, since the customers simultaneously receive and consume the benefits as the Company performs its obligation. The Company has no outstanding performance obligations as at December 31, 2024, 2023 and 2022.

Interest and Other Income

	2024	2023	2022
Interest income (Note 15)	₱92,130,176	₱48,605,110	₱6,014,706
Mark-to-market gain on financial assets at FVTPL (Notes 7 and 12)	112,843	131,612	41,495
Day 1 gain on refundable security deposits	—	—	2,251,276
Reversal of provision for expected credit losses (Note 6)	—	—	69,072,183
Other income	1,786,387	552,907	—
	₱94,029,406	₱49,289,629	₱77,379,660



14. Cost and Expenses

a. Cost of Rental Income

	2024	2023	2022
Depreciation (Note 8)	₱166,452,292	₱159,146,054	₱158,894,968
Taxes and licenses	140,767,051	142,078,291	140,334,781
Utilities	109,797,447	69,764,239	96,808,254
Outside services (Note 12)	105,123,063	183,283,871	145,847,058
Repairs and maintenance	21,468,436	28,680,499	26,017,510
Personnel cost	19,324,183	9,352,201	—
Others	12,120,266	16,725,958	8,915,220
	₱575,052,738	₱609,031,113	₱576,817,791

Other cost of rental income consists of insurance, supplies, association dues, and rent of low value assets.

b. General and Administrative Expenses

	2024	2023	2022
Personnel cost	₱78,668,734	₱33,438,566	₱1,439,599
Outside services	53,443,166	22,409,998	18,521,042
Fines and penalties	11,111,132	1,124,507	24,500
Taxes and licenses	9,720,267	10,674,879	5,893,430
IT-related expenses	7,966,955	9,402,392	590,928
Depreciation expense (Note 9)	7,514,487	2,004,904	36,973
Trainings, seminars and representation	4,058,067	1,553,887	—
Transportation and travel	2,338,403	876,277	679,277
Membership and association dues	1,020,337	772,880	1,319,644
Supplies expense	917,947	1,939,574	1,669,766
Directors' fees	800,000	1,325,000	1,800,000
Miscellaneous expenses	2,833,149	9,505,119	558,426
	₱180,392,644	₱95,027,983	₱32,533,585

Miscellaneous expenses consist of stationery and supplies, reproduction costs, rent expenses, telecommunication, gas and oil, notarial fees, meal reimbursements, and other expenses.

c. Personnel Cost

	2024	2023	2022
Salaries and wages	₱90,824,407	₱42,413,903	₱1,436,174
Retirement benefits (Note 16)	2,984,652	—	—
Other employee benefits	4,183,858	376,864	3,425
	₱97,992,917	₱42,790,767	₱1,439,599



15. Interest Income and Finance Charges

	2024	2023	2022
Interest income:			
Cash and cash equivalents (Notes 4 and 12)	₱91,860,176	₱47,970,110	₱4,548,584
Financial assets at FVOCI (Note 5)	270,000	635,000	1,466,122
	₱92,130,176	₱48,605,110	₱6,014,706
Finance charges:			
Interest expense on accretion	₱—	₱—	₱1,327,397
Bank service charges and others	12,947	1,534	9,587
	₱12,947	₱1,534	₱1,336,984

16. Retirement Liability

Requirement of Republic Act (RA) 7641

RA 7641 provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under PAS 19. However, there are instances when an employer establishes a defined contribution plan and does not have an equivalent defined benefit plan covering the benefits required under RA 7641.

An employee upon reaching the age of 60 years or more, but not beyond 65 years which is declared the compulsory retirement age, who has served at least five years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six months being considered as one whole year.

The Company is in compliance of the minimum requirement of RA 7641 as at December 31, 2024, 2023 and 2022. No retirement benefit was recognized in 2023 and 2022 since the amount is not significant.

Defined Benefit Plan

As of December 31, 2024, 2023 and 2022, the Company does not have an established retirement plan and only conforms to the minimum regulatory benefit under RA7641 which is of the final salary defined benefit type and provides a retirement benefit equal to 22.5 days' pay for every year of credited service. The benefit is paid in a lump sum upon retirement.

On February 26, 2025, the BOD approved the Company's defined benefit plan.

There are no unusual or significant risks to which the retirement liability exposes the Company. However, it should be noted that in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Company.

The principal assumptions used for the purposes of the actuarial valuation in 2024 were as follows:

Discount rate	6.10%
Expected rate of salary increase	5.00%
Average remaining service years	23 years



Amounts recognized in the statements of comprehensive income in 2024 in respect of this defined benefit plan are as follows:

Current service cost	₱2,894,624
Interest cost	90,028
Retirement benefits expense	2,984,652
Actuarial loss recognized in OCI	2,661,942
Total	₱5,646,594

The retirement benefits is charged to cost of rental income and operating expenses under “Personnel cost” account as follows:

Cost of services (Note 14)	₱671,216
Operating expenses (Note 14)	2,313,436
	₱2,984,652

Retirement benefits expense and actuarial loss attributed to key management employees amounted to ₱0.6 million and ₱0.5 million, respectively, in 2024.

Movements in the present value of the retirement liability in 2024 are as follows:

Present value of retirement liability, beginning	₱—
Current service cost	2,894,624
Interest cost	90,028
Actuarial loss due to:	
Experience adjustments	2,510,114
Changes in financial assumptions	151,828
Present value of retirement liability, end	₱5,646,594

Significant actuarial assumptions for the determination of the retirement liability are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Change in Assumption	Increase (Decrease)
Discount rate	+100 basis points	(₱358,751)
	-100 basis points	404,852
Expected salary growth	+100 basis points	405,259
	-100 basis points	(365,579)

The sensitivity analyses presented above may not be representative of the actual change in the retirement liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analyses, the present value of the retirement liability has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the retirement liability recognized in the statements of financial position.

The Company does not expect to make a contribution to the retirement liability during the next financial year.



Shown below is the maturity profile of the undiscounted benefit payments in 2024:

Plan Year	Expected Benefit Payments
Year 1	₱—
Year 2	—
Year 3	—
Year 4	10,834,943
Year 5	2,873,379
Year 6 - 10	16,676,562

The weighted average duration of the retirement liability at the end of 2024 is 6.8 years.

17. Income Tax

a. Details of the Company's provision for current income tax follow:

	2024	2023	2022
RCIT	₱93,515,066	₱109,044,597	₱186,144,111
Final tax	18,312,498	9,721,022	999,190
	₱111,827,564	₱118,765,619	₱187,143,301

b. The Company's recognized deferred income tax assets (liabilities) as of December 31 follow:

	2024	2023	2022
Deferred income taxes recognized in profit or loss:			
Deferred income tax assets on:			
Advance rentals	₱66,828,472	₱64,283,838	₱79,780,661
Allowance for ECL	5,005,283	5,005,283	9,195,892
Unrealized loss on foreign exchange	171,277	—	—
Retirement benefits	167,804	—	—
	72,172,836	69,289,121	88,976,553
Deferred income tax liabilities on:			
Deferred rent	(75,773,004)	(37,701,561)	(45,673,445)
Accretion of security deposit	(8,606,373)	(8,606,373)	(8,606,372)
Unrealized gain on financial assets at FVTPL	(89,032)	(72,105)	(52,362)
	(84,468,409)	(46,380,039)	(54,332,179)
Deferred income taxes recognized in other comprehensive income:			
Deferred income tax asset on actuarial loss on retirement liability	665,486	—	—
Deferred income tax liability on gains arising from net unrealized gains on financial assets at FVOCI	(29,749,289)	(21,334,642)	(19,519,375)
	(₱41,379,376)	₱1,574,440	₱15,124,999



- c. The reconciliation of the provision for income tax computed using the statutory income tax rate to the provision for income tax as shown in the statements comprehensive of income is summarized as follows:

	2024	2023	2022
Provision for income tax at the statutory income tax rate	₱169,005,532	₱185,004,841	₱222,119,662
Adjustments for:			
Income subjected to final tax	(23,043,828)	(12,164,439)	(1,507,496)
Final income tax	18,312,498	9,721,022	999,190
Adjustment in the current period for income tax as a result of OSD application	(17,241,981)	(52,161,341)	—
Nondeductible expenses	—	100,827	—
Provision for income tax	₱147,032,221	₱130,500,910	₱221,611,356

18. Equity

Capital Stock

Information on the number of shares of the Company's capital stock as of December 31, 2024, 2023 and 2022 follow:

	Shares	Amount
Authorized capital stock - ₱100 par	505,000,000	₱50,500,000,000
Issued	469,321,000	46,932,100,000

Appropriated retained earnings amounting to ₱1.0 million as of December 31, 2021 represents self-insurance to cover any liability that may arise from any action or proceedings filed against the directors and officers of the Company in connection with the performance of their duties and responsibilities as directors and officers. On March 31, 2022, the Company's BOD approved to reverse the appropriated retained earnings amounting to ₱1.0 million.

There is no appropriation of retained earnings as of December 31, 2024, 2023 and 2022.

19. Leases

The Company as lessor

The Company entered into lease agreements with related parties and third parties covering its investment property portfolio. These leases generally provide fixed monthly rent. The Company records rental income on a straight-line basis over the lease term.

Future minimum rental receivable under non-cancellable operating leases as of December 31 follow:

	2024	2023	2022
Within one year	₱756,874,299	₱1,076,681,413	₱1,163,551,488
After one year but not more than five years	2,413,554,691	3,665,054,773	3,937,798,509
More than five years	571,471,694	1,650,288,918	1,444,682,174
	₱3,741,900,684	₱6,392,025,104	6,546,032,171



20. Earnings per Share

Basic and diluted earnings per share are computed as follows:

	2024	2023	2022
Net income (a)	₱528,989,905	₱609,518,455	₱666,867,291
Weighted average number of shares issued and outstanding (b)	469,321,000	469,321,000	469,321,000
Basic and diluted earnings per share (a/b)	₱1.127	₱1.299	₱1.421

There are no potential dilutive capital stocks as of December 31, 2024, 2023 and 2022.

21. Operating Segment Information

The Company is organized into operating segments based on its properties. All of the assets relating to the Company's operating segments are located in the Philippines.

Segment income, expenses, assets and liabilities are measured in accordance with PFRS. The presentation and classification of segment income and expenses are consistent with the statements of comprehensive income. The presentation and classification of segment assets and liabilities are consistent with the statements of financial position.

The following tables present income and expense information and certain assets and liabilities information regarding the different business segments as of and for the years ended December 31, 2024, 2023 and 2022:

	2024						
	Financial Center	Makati Center	CITEM*	Buendia	Others	Corporate	Total
Segment income	₱929,960,749	₱342,157,075	₱35,431,361	₱7,754,984	₱22,146,878	₱94,029,408	₱1,431,480,455
Segment expenses	(458,741,452)	(75,973,767)	(9,445,603)	(2,645,119)	(31,215,869)	(177,423,572)	(755,445,382)
Segment profit (loss)	471,219,297	266,183,308	25,985,758	5,109,865	(9,068,991)	(83,394,164)	676,035,073
Finance charges	—	—	—	—	—	(12,947)	(12,947)
Income (loss) before income tax	471,219,297	266,183,308	25,985,758	5,109,865	(9,068,991)	(83,407,111)	676,022,126
Provision for income tax	—	—	—	—	—	(147,032,221)	(147,032,221)
Net income (loss)	471,219,297	266,183,308	25,985,758	5,109,865	(9,068,991)	(230,439,332)	528,989,905
Other comprehensive income	—	—	—	—	—	45,686,544	45,686,544
Total comprehensive income (loss)	₱471,219,297	₱266,183,308	₱25,985,758	₱5,109,865	(₱9,068,991)	(₱184,752,788)	₱574,676,449
Segment assets	₱35,504,142,139	₱6,128,077,621	₱64,286,518	₱5,659,123,881	₱23,181,744	₱2,775,462,523	₱50,154,274,426
Segment liabilities	—	—	—	—	—	987,938,362	987,938,362
Capital expenditures:							
Investment properties	8,257,605	106,989,284	—	—	—	—	115,246,889
Property and equipment	47,235,769	125,692,752	70,500,506	—	—	49,628,965	293,057,992
Depreciation and amortization	98,130,834	67,515,623	1,004,188	—	711,124	6,605,010	173,966,779

*Center for International Trade Expositions and Missions



2023							
	Financial Center	Makati Center	CITEM*	Buendia	Others	Corporate	Total
Segment income	₱909,488,177	₱434,066,549	₱37,455,795	₱9,650,604	₱4,129,242	₱49,289,628	₱1,444,079,995
Segment expenses	(451,125,355)	(160,627,480)	(9,523,886)	(2,610,286)	(7,114,440)	(73,057,649)	(704,059,096)
Segment profit (loss)	458,362,822	273,439,069	27,931,909	7,040,318	(2,985,198)	(23,768,021)	740,020,899
Finance charges	—	—	—	—	—	(1,534)	(1,534)
Income (loss) before income tax	458,362,822	273,439,069	27,931,909	7,040,318	(2,985,198)	(23,769,555)	740,019,365
Provision for income tax	—	—	—	—	—	(130,500,910)	(130,500,910)
Net income (loss)	458,362,822	273,439,069	27,931,909	7,040,318	(2,985,198)	(154,270,465)	609,518,455
Other comprehensive income	—	—	—	—	—	10,286,507	10,286,507
Total comprehensive income (loss)	₱458,362,822	₱273,439,069	₱27,931,909	₱7,040,318	(₱2,985,198)	(₱143,983,958)	₱619,804,962
Segment assets	₱36,209,745,652	₱5,989,620,560	₱61,492,937	₱5,585,946,708	₱23,892,868	₱2,159,621,890	₱50,030,320,615
Segment liabilities	—	—	—	—	—	1,438,661,000	1,438,661,000
Capital expenditures:							
Investment properties	—	—	—	—	—	—	—
Property and equipment	287,467	11,455,304	—	—	—	15,700,813	27,443,584
Depreciation and amortization	97,532,124	60,091,268	1,004,876	—	625,181	1,897,509	161,150,958
*Center for International Trade Expositions and Missions							
2022							
	Financial Center	Makati Center	CITEM*	Buendia	Others	Corporate	Total
Segment income	₱909,104,607	₱481,167,967	₱19,140,728	₱9,259,871	₱3,114,174	₱77,379,660	₱1,499,167,007
Segment expenses	(458,638,867)	(111,200,566)	(11,902,436)	(2,592,000)	(2,633,298)	(22,384,209)	(609,351,376)
Segment profit	450,465,740	369,967,401	7,238,292	6,667,871	480,876	54,995,451	889,815,631
Finance charges	—	—	—	—	—	(1,336,984)	(1,336,984)
Income (loss) before income tax	450,465,740	369,967,401	7,238,292	6,667,871	480,876	53,658,467	888,478,647
Provision for income tax	—	—	—	—	—	(221,611,356)	(221,611,356)
Net income (loss)	450,465,740	369,967,401	7,238,292	6,667,871	480,876	(167,952,889)	666,867,291
Other comprehensive income	—	—	—	—	—	39,794,667	39,794,667
Total comprehensive income (loss)	₱450,465,740	₱369,967,401	₱7,238,292	₱6,667,871	₱480,876	(₱128,158,222)	₱706,661,958
Segment assets	₱35,452,794,877	₱6,067,016,081	₱64,922,292	₱5,586,469,087	₱21,492,515	₱1,703,993,989	₱48,896,688,841
Segment liabilities	—	—	—	—	—	924,834,188	924,834,188
Capital expenditures:							
Investment properties	—	—	—	—	—	—	—
Property and equipment	—	208,219	—	—	—	—	208,219
Depreciation and amortization	97,298,630	59,919,447	1,002,740	—	711,124	—	158,931,941
*Center for International Trade Expositions and Missions							

22. Financial Risk Management Objectives and Policies and Fair Value Disclosures

The Company's principal financial instruments are cash in banks, financial assets at FVTPL and financial assets at FVOCI. The Company has various financial assets and financial liabilities such as trade and other receivables, refundable deposits, trade and other payables and security deposits which arise directly from its operations. Management closely monitors the cash fund and financial transactions of the Company. Cash funds are normally deposited with banks considered as related parties, and financial transactions are normally dealt with related parties. These strategies, to an extent, mitigate the Company's interest rate and credit risks.

Exposure to credit, liquidity and foreign currency risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management policies are: (a) to identify and monitor such risks on an ongoing basis, (b) to minimize and mitigate such risks, and (c) to provide a degree of certainty about costs.

The BOD reviews and approves the policies for managing these risks which are described below.

Equity price risk

Equity price risk is the risk that the fair values of investment in equity securities decrease as a result of changes in the levels of equity indices and the value of individual stocks.



The effect on equity and pre-tax income as a result of change in the fair value of equity instruments held as financial assets at FVOCI and financial assets at FVTPL, due to reasonably possible change in equity indices, with all other variables held constant are as follows:

2024			
	Change in Equity Price	Effect on Pre-tax Income	Effect on Equity*
Financial assets at FVTPL	3.56%	₱116,865	₱–
	-3.56%	(116,865)	–
Financial assets at FVOCI	34.64%	–	75,531,524
	-34.64%	–	(75,531,524)
2023			
	Change in Equity Price	Effect on Pre-tax income	Effect on Equity*
Financial assets at FVTPL	+4.34%	₱137,321	₱–
	-4.34%	(137,321)	–
Financial assets at FVOCI	+4.59%	–	7,427,520
	-4.59%	–	(7,427,520)
2022			
	Change in Equity Price	Effect on Pre-tax income	Effect on Equity*
Financial assets at FVTPL	+1.39%	₱42,070	₱–
	-1.39%	(42,070)	–
Financial assets at FVOCI	+43.34%	–	67,109,973
	-43.34%	–	(67,109,973)

**The impact on the Company's equity for financial assets at FVOCI excludes the impact of transactions affecting income.*

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfil their obligations, as and when they fall due.

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The Company's credit risks are primarily attributable to cash in banks, trade and other receivables and other financial assets.

The carrying amount of cash in banks, trade and other receivables and refundable deposits represent the Company's maximum exposure to credit risk.



As of December 31, the Company's maximum exposure to credit risk for the components of the statements of financial position follows:

	2024	2023	2022
Financial assets at amortized cost:			
Cash and cash equivalents*	₱1,919,350,776	₱1,761,433,579	₱1,144,069,799
Trade and other receivables			
Lease receivables	948,466,205	1,627,479,561	822,928,436
Accrued interest receivable	10,318,473	2,473,647	499,961
Others	20,624,734	23,938,603	20,021,133
Refundable deposits	1,778,227	25,618,246	25,593,446
	₱2,900,538,415	₱3,440,943,636	₱2,013,112,775

*Excludes cash on hand amounting to ₱104,440, ₱90,000 and ₱60,000 as of December 31, 2024, 2023 and 2022, respectively.

Credit quality per class of financial assets

Description of the credit quality grades used by the Company follows:

a. Financial assets at FVTPL and FVOCI

High grade - Counterparties that are consistently profitable, have strong fundamentals and pays out dividends.

Standard grade - Counterparties that recently turned profitable and have the potential of becoming a high grade Company. These counterparties have sound fundamentals.

Substandard grade - Counterparties that are not yet profitable, speculative in nature but have the potential to turn around fundamentally.

b. Lease receivables

High grade - High probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard grade - Collections are probable due to the reputation and the financial ability of the counterparty to pay.

The tables below show credit quality by class of financial assets based on the Company's credit quality grades (gross of allowance for credit losses):

	2024			
	Stage 1		Stage 3	
	High Grade	Standard Grade	Impaired	Total
Cash in banks	₱429,822,607	₱-	₱-	₱429,822,607
Cash equivalents	1,489,528,169	-	-	1,489,528,169
Financial assets at FVTPL:				
Investment in UITF	3,245,385	-	-	3,245,385
Equity securities	33,430	-	-	33,430
Financial assets at FVOCI:				
Equity securities	212,400,000	-	-	212,400,000
Government securities	5,628,591	-	-	5,628,591
Loans and receivables:				
Lease receivables	-	948,466,205	-	948,466,205
Accrued interest receivable	10,318,473	-	-	10,318,473
Others	-	603,601	20,021,133	20,624,734
Refundable deposit	-	1,778,227	-	1,778,227
	₱2,150,976,655	₱950,848,033	₱20,021,133	₱3,121,845,821



	2023			
	Stage 1		Stage 3	Total
	High Grade	Standard Grade	Impaired	
Cash in banks	₱527,376,943	₱—	₱—	₱527,376,943
Cash equivalents	1,234,056,636	—	—	1,234,056,636
Financial assets at FVTPL:				
Investment in UITF	3,111,498	—	—	3,111,498
Equity securities	54,474	—	—	54,474
Financial assets at FVOCI:				
Equity securities	156,121,901	—	—	156,121,901
Government securities	5,809,043	—	—	5,809,043
Loans and receivables:				
Lease receivables	—	1,627,479,561	—	1,627,479,561
Accrued interest receivable	2,473,647	—	—	2,473,647
Others	—	3,917,470	20,021,133	23,938,603
Refundable deposit	—	25,618,246	—	25,618,246
	₱1,929,004,142	₱1,657,015,277	₱20,021,133	₱3,606,040,552

	2022			
	Stage 1		Stage 3	Total
	High Grade	Standard Grade	Impaired	
Cash in banks	₱545,238,895	₱—	₱—	₱545,238,895
Cash equivalents	598,830,904	—	—	598,830,904
Financial assets at FVTPL:				
Investment in UITF	2,925,883	—	—	2,925,883
Equity securities	108,477	—	—	108,477
Financial assets at FVOCI:				
Equity securities	144,000,000	—	—	144,000,000
Government securities	10,829,171	—	—	10,829,171
Loans and receivables:				
Lease receivables	—	806,166,000	16,762,436	822,928,436
Accrued interest receivable	499,961	—	—	499,961
Others	—	—	20,021,133	20,021,133
Refundable deposit	—	25,593,446	—	25,593,446
	₱1,302,433,291	₱831,759,446	₱36,783,569	₱2,170,976,306

In 2024, 2023 and 2022, there is no set up of additional provisions on these receivables since management assessed that there is no credit risk arising from these receivables due to continuous collections from the related counterparties.

The credit risk exposure on the financial assets computed in 2023 and 2022 is still consistent for the current year, as set out in the provision matrix below:



December 31, 2024:

(in millions)	Refundable deposits	Trade and other receivables					Total
		Current	Days past due				
			<31 days	31-60 days	61-90 days	> 90 days	
Expected credit loss rate	-%	0.01% - 4.23%	0.05% - 4.96%	0.05% - 5.46%	0.90% - 8.97%	2.00% - 10.28%	
Total gross carrying amount	₱1.8	₱292.1	₱27.7	₱5.7	₱24.8	₱629.2	₱981.2
Subjected to lifetime ECL	—	—	—	—	—	20.0	20.0
Estimated total gross carrying amount at default	1.8	292.1	27.7	5.7	24.8	609.2	961.2
Expected credit loss - 12-month ECL	—	—	—	—	—	—	—
Expected credit loss - lifetime ECL	—	—	—	—	—	20.0	20.0
Expected credit loss (Note 6)	₱—	₱—	₱—	₱—	₱—	₱20.0	₱20.0

December 31, 2023:

(in millions)	Refundable deposits	Trade and other receivables					Total
		Current	Days past due				
			<31 days	31-60 days	61-90 days	> 90 days	
Expected credit loss rate	-%	0.01% - 4.23%	0.05% - 4.96%	0.05% - 5.46%	0.90% - 8.97%	2.00% - 10.28%	
Total gross carrying amount	₱25.6	₱115.0	₱119.6	₱110.0	₱101.2	₱1,208.1	₱1,679.5
Subjected to lifetime ECL	—	—	—	—	—	20.0	20.0
Estimated total gross carrying amount at default	25.6	115.0	119.6	110.0	101.2	1,188.1	1,659.0
Expected credit loss - 12-month ECL	—	—	—	—	—	—	—
Expected credit loss - lifetime ECL	—	—	—	—	—	20.0	20.0
Expected credit loss (Note 6)	₱—	₱—	₱—	₱—	₱—	₱20.0	₱20.0

December 31, 2022:

(in millions)	Refundable deposits	Trade and other receivables					Total
		Current	Days past due				
			<31 days	31-60 days	61-90 days	> 90 days	
Expected credit loss rate	-%	0.01% - 4.23%	0.05% - 4.96%	0.05% - 5.46%	0.90% - 8.97%	2.00% - 10.28%	
Total gross carrying amount	₱25.6	₱60.5	₱83.1	₱98.7	₱82.2	₱518.9	₱869.0
Subjected to lifetime ECL	—	—	—	—	—	31.6	31.6
Estimated total gross carrying amount at default	25.6	60.5	83.1	98.7	82.2	487.3	837.4
Expected credit loss - 12-month ECL	—	1.1	1.9	1.8	0.4	—	5.2
Expected credit loss - lifetime ECL	—	—	—	—	—	31.6	31.6
Expected credit loss (Note 6)	₱—	₱1.1	₱1.9	₱1.8	₱0.4	₱31.6	₱36.8

Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities having similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Company's financial strength and undermine public confidence. Concentration risk per business.

Concentration risk of the Company could arise from revenue from a certain customer, particularly with related parties which comprises 69% of the total revenue.

Liquidity risk

Liquidity risk is defined as risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. The Company maintains sufficient cash in order to fund its operations.



The following tables show the maturity profile of the Company's other financial liabilities (undiscounted amounts of principal and related interest) as well as the undiscounted cash flows from financial assets used for liquidity management.

As of December 31, 2024:

	On demand	Less than 1 year	More than 1 year	Total
Financial liabilities:				
Trade and other payables:				
Accrued expenses	P=	P147,312,602	P=	147,312,602
Accounts payables	—	94,415,088	—	P94,415,088
Others	—	6,490,647	—	6,490,647
Security deposits*	—	29,349,886	247,161,829	276,511,715
	P=	P277,568,223	P247,161,829	P524,730,052
Financial assets:				
Cash and cash equivalents	P1,919,455,216	P=	P=	P1,919,455,216
Financial assets at FVTPL	—	3,278,815	—	3,278,815
Trade and other receivables	—	959,388,279	—	959,388,279
	P1,919,455,216	P962,667,094	P=	P2,882,122,310

*Including interest to maturity amounting to P34.4 million

As of December 31, 2023:

	On demand	Less than 1 year	More than 1 year	Total
Financial liabilities:				
Trade and other payables:				
Accounts payables	P=	P85,360,898	P=	P85,360,898
Accrued expenses	—	93,355,447	—	93,355,448
Security deposits*	—	288,047,183	501,457,353	789,504,536
	P=	P466,763,528	P501,457,353	P968,220,882
Financial assets:				
Cash and cash equivalents	P1,761,523,579	P=	P=	P1,761,523,579
Financial assets at FVTPL	—	3,165,972	—	3,165,972
Trade and other receivables	—	1,633,870,678	—	1,633,870,678
	P1,761,523,579	P1,637,036,650	P=	P3,398,560,229

*Including interest to maturity amounting to P34.4 million

As of December 31, 2022:

	On demand	Less than 1 year	More than 1 year	Total
Financial liabilities:				
Trade and other payables:				
Accounts payables	P=	P120,784,411	P=	P120,784,411
Accrued expenses	—	23,058,571	—	23,058,571
Others	—	4,146	—	4,146
Security deposits*	—	77,450,005	222,975,771	300,425,776
	P=	P221,297,133	P222,975,771	P444,272,904



	On demand	Less than 1 year	More than 1 year	Total
Financial assets:				
Cash and cash equivalents	₱1,144,129,799	₱—	₱—	₱1,144,129,799
Financial assets at FVTPL	—	3,034,360	—	3,034,360
Trade and other receivables	—	806,665,961	—	806,665,961
	₱1,144,129,799	₱809,700,321	₱—	₱1,953,830,120

*Including interest to maturity amounting to ₱34.4 million

Fair Value Information

Presented below is the comparison of the carrying values and fair values of the Company's financial assets and liabilities that are presented in the statements of financial position.

	December 31, 2024		December 31, 2023		December 31, 2022	
	Carrying Values	Fair Values	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets						
Cash on hand	₱104,440	₱104,440	₱90,000	₱90,000	₱60,000	₱60,000
Cash in banks	429,822,607	429,822,607	527,376,943	527,376,943	545,238,895	545,238,895
Cash equivalent	1,489,528,169	1,489,528,169	1,234,056,636	1,234,056,636	598,830,904	598,830,904
Financial assets at FVTPL*	3,278,815	3,278,815	3,165,972	3,165,972	3,034,360	3,034,360
Financial assets at FVOCI	218,028,591	218,028,591	161,930,944	161,930,944	154,829,171	154,829,171
Trade and other receivables:						
Lease receivables	948,466,205	948,466,205	1,627,479,561	1,627,479,561	806,166,000	806,166,000
Interest	10,318,473	10,318,473	2,473,647	2,473,647	499,961	499,961
Others	603,601	603,601	3,917,470	3,917,470	—	—
Refundable deposits*	1,778,227	1,778,227	25,618,246	25,618,246	25,593,446	25,593,446
	₱3,101,929,128	₱3,101,929,128	₱3,586,109,419	₱3,586,109,419	₱2,134,252,737	₱2,134,252,737
Financial Liabilities						
Trade and other payables:						
Accrued expenses	₱147,312,602	₱147,312,602	₱93,355,447	₱93,355,447	₱23,058,571	₱23,058,571
Accounts payable	94,415,088	94,415,088	85,360,898	85,360,898	120,784,411	120,784,411
Others	6,490,647	6,490,647	—	—	4,146	4,146
Security deposits**	242,086,226	242,086,226	755,079,046	755,079,046	266,000,286	266,000,286
	₱490,304,563	₱490,304,563	₱933,795,391	₱933,795,391	₱409,847,414	₱409,847,414

*Presented as part of "Other current assets" account.

**Presented as part of "Deposits and other liabilities" account.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash, trade and other receivables, loans payable and trade and other payables

The carrying values of the cash, trade and other receivables, trade and other payables and loans payable approximate their fair values due to the short-term nature of these financial instruments.

Equity securities at FVTPL and FVOCI

Fair values are generally based on quoted market prices.

Government securities at FVOCI

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.

Refundable deposits

The carrying value of deposits is the best estimate of its fair value since the related contracts and agreements pertaining to these deposits have indeterminable terms.



Security deposits

The fair values of security deposits are estimated using the discounted cash flow method based on the discounted value of future cash flows using the applicable risk-free rates for similar types of instruments. The discount rates used range from 4.00% to 7.00%, 4.00% to 7.00%, and 2.50% to 6.00% as of December 31, 2024, 2023 and 2022, respectively. Management has determined the inputs to be Level 3.

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

- quoted prices in active markets for identical assets (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices) (Level 2); and,
- those inputs for the asset that are not based on observable market data (unobservable inputs) (Level 3).

In 2024, 2023 and 2022, there were no transfers between Levels 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models.

23. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating, complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and maximize stockholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2024, 2023 and 2022. Accordingly, the Company is not subject to externally imposed capital requirements.

The table below summarizes the total capital considered by the Company:

	2024	2023	2022
Capital stock	₱46,932,100,000	₱46,932,100,000	₱46,932,100,000
Retained earnings	2,067,653,217	1,538,663,312	929,144,857
	₱48,999,753,217	₱48,470,763,312	₱47,861,244,857



24. Supplementary Information Required Under Revenue Regulations No. 15-2010

The Company reported and/or paid the following types of taxes in 2024:

Value Added Tax (VAT)

a. The Company is a VAT-registered company with output VAT declaration as follows:

	Net Sales/ Receipts	Output VAT
VATable:		
Rental income	₱1,768,482,500	₱212,217,900
Government sales	44,072,432	5,288,692
Zero-rated sales	32,883,084	—
	₱1,845,438,016	₱217,506,592

Prior to the implementation of the Ease of Paying Taxes (EOPT) Law, the Company's revenues per VAT returns were based on actual collections received. After the implementation of the EOPT Law, revenues per VAT returns are based on amounts invoiced. Hence, revenues per VAT returns may not be the same as the amounts recognized in the statement of comprehensive income.

b. Details of the Company's input VAT for 2024 follow:

Balance at January 1	₱—
Current year's transactions:	
Domestic purchases of goods other than capital goods	19,733,072
Domestic purchases of services	65,436,501
Purchases of capital goods exceeding ₱1.0 million	2,035,681
Purchases of capital goods not exceeding ₱1.0 million	805,534
VAT withheld on sales to government	2,203,616
Services rendered by nonresidents	6,813,282
	97,027,686
Less: Input VAT claimed as deduction from output VAT	(97,027,686)
Balance at December 31	₱—

Taxes and Licenses

Other taxes and licenses (local and national) for 2024 included under "General and administrative expenses" and "Cost of rental income" are as follow:

Real property tax	₱139,969,919
Business taxes	7,443,996
Other percentage taxes	1,274,175
Documentary stamp taxes	981,096
Other licenses and permits fees	818,132
Total	₱150,487,318



Withholding Taxes

Withholding taxes on compensation	₱23,987,486
Expanded withholding taxes	20,824,846
Final withholding VAT	6,813,282
Total	₱51,625,614

Tax Assessments/Cases

In 2024, the Company has ongoing tax assessments for the following period and tax types:

Period	Tax Type	Stage
Taxable Year 2021	All Internal Revenue Taxes	Preliminary Stage
Taxable Year 2022	All Internal Revenue Taxes except VAT - 1 st Semester	Preliminary Stage

Apart from the above, the Company does not have any pending tax cases, litigations and/or prosecution in courts or bodies outside the BIR in 2024.



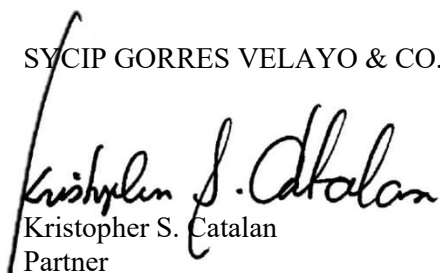
INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
PNB Holdings Corporation
2nd Floor, PNB Financial Center
President Diosdado Macapagal Boulevard, Pasay City

We have audited the financial statements of PNB Holdings Corporation as at and for the year ended December 31, 2024, on which we have rendered the attached report dated February 26, 2025.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that above company has one stockholder owning 100 or more shares.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

Tax Identification No. 233-299-245

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

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10465281, January 2, 2025, Makati City

February 26, 2025



PNB HOLDINGS CORPORATION**INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES****DECEMBER 31, 2024, 2023 and 2022**

Supplementary schedule required by Revised Securities Regulation Code Rule 68:

Schedule	Content
I	Reconciliation of retained earnings available for dividend declaration
II	Financial soundness indicators

Supplementary schedules

A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock

SCHEDULE I

PNB HOLDINGS CORPORATION SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2024

Unappropriated retained earnings as at December 31, 2023	₱1,468,965,596
Add: Category A: Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation/s	-
Effects of restatements or prior-period adjustments	-
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	-
Retained earnings appropriated during the reporting period	-
Effects of restatements or prior-period adjustments	-
Unappropriated retained earnings at December 31, 2023, as adjusted	1,468,965,596
Add: Net income for the current year	528,989,905
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment on financial instruments at fair value through profit or loss (FVTPL)	(95,917)
Equity in net income/losses of associates/joint ventures, net of dividends	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value gain of investment property	-
Sub-total	(95,917)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior 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 on financial instruments at FVPTL	-
Realized fair value gain of investment property	-
Sub-total	-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment on financial instruments at FVPTL	-
Reversal of previously recorded fair value gain of investment property	-
Sub-total	-
Adjusted net income	528,989,988
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Sub-total	-
Add: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Sub-total	-

SCHEDULE I

Add/ Category F: Other items that should be excluded from the Less: determination of the amount of available for dividends distribution

Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(2,883,715)	
Net movement of deferred tax assets and deferred tax liabilities related to same transactions	-	
Net movement of treasury share (except reacquisition of redeemable share)	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Sub-total		(2,883,715)
Total Retained Earnings Available for Dividend as at December 31, 2024		₱1,994,975,869

PNB HOLDINGS CORPORATION

SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2023

Unappropriated retained earnings as at December 31, 2022 **₱839,871,579**

Add: Category A: Items that are directly credited to unappropriated retained earnings

Reversal of retained earnings appropriation/s	-	
Effects of restatements or prior-period adjustments	-	-

Less: Category B: Items that are directly debited to unappropriated retained earnings

Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	-

Unappropriated retained earnings at December 31, 2022, as adjusted

839,871,579

Add: Net income for the current year

609,518,455

Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)

Unrealized fair value adjustment on financial instruments at fair value through profit or loss (FVTPL)	(111,870)	
Equity in net income/losses of associates/joint ventures, net of dividends	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value gain of investment property	-	
Sub-total		(111,870)

Add: Category C.2: Unrealized income recognized in the profit or loss in prior 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 on financial instruments at FVPTL	-	
Realized fair value gain of investment property	-	
Sub-total		-

Add: Category C.3: Unrealized income recognized in the 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	-	
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SCHEDULE I

Reversal of previously recorded fair value adjustment on financial instruments at FVPTL	-	
Reversal of previously recorded fair value gain of investment property	-	
Sub-total		-
Adjusted net income		609,406,585
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	19,687,432	
Net movement of deferred tax assets and deferred tax liabilities related to same transactions	-	
Net movement of treasury share (except reacquisition of redeemable share)	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Sub-total		19,687,432
Total Retained Earnings Available for Dividend as at December 31, 2023		P1,468,965,596

PNB HOLDINGS CORPORATION

SCHEDULE OF RETAINED EARNINGS

AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2022

Unappropriated retained earnings as at December 31, 2021		P141,408,879
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Reversal of retained earnings appropriation/s	1,000,000	
Effects of restatements or prior-period adjustments	-	1,000,000
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	-
Unappropriated retained earnings at December 31, 2021, as adjusted		142,408,879
Add: Net income for the current year		666,867,291
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustment on financial instruments at fair value through profit or loss (FVTPL)	(35,271)	
Equity in net income/losses of associates/joint ventures, net of dividends	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value gain of investment property	-	
Sub-total		(35,271)

SCHEDULE I**Add: Category C.2: Unrealized income recognized in the profit or loss in prior 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 on financial instruments at FVPTL

-

Realized fair value gain of investment property

-

Sub-total

-

Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain except those attributable to cash and cash equivalents

-

Reversal of previously recorded fair value adjustment on financial instruments at FVPTL

-

Reversal of previously recorded fair value gain of investment property

-

Sub-total

-

Adjusted net income**666,832,020****Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)

-

Sub-total

-

Add: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Sub-total

-

Add/ Less: Category F: Other items that should be excluded from the**determination of the amount of available for dividends distribution**

Net movement of deferred tax assets not considered in the reconciling items under the previous categories

30,630,680

Net movement of deferred tax assets and deferred tax liabilities related to same transactions

-

Net movement of treasury share (except reacquisition of redeemable share)

-

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Sub-total**30,630,680****Total Retained Earnings Available for Dividend as at December****31, 2022****₱839,871,579**

SCHEDULE II

PNB HOLDINGS CORPORATION

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024, 2023 and 2022

Ratio	Formula	2024	2023	2022
Current ratio	Current assets / Current liabilities	7.04	4.97	5.44
Acid test ratio	Quick assets ¹ / Current liabilities	5.88	3.68	2.56
Solvency ratio	EBITDA / Total debt ²	N/A³	N/A ³	N/A ³
Debt-to-equity ratio	Total liabilities / Total equity	0.02	0.03	0.02
Asset-to-equity ratio	Total assets / Total equity	1.02	1.03	1.02
Interest rate coverage ratio	EBITDA / Interest expense ³	N/A³	N/A ³	N/A ³
Return on equity	Net income / Total average equity	0.01	0.01	0.01
Return on assets	Net income / Total average assets	0.01	0.01	0.01
Net profit margin	Net income / Revenue	0.40	0.44	0.47

¹Total current assets excluding financial assets and other current assets

²Current and noncurrent portion of long-term debt

³Not applicable since the Company has no long-term debt

SCHEDULE A

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2024

Name of Issuing Entity and Association of Each Issue	Number of Shares or Amount Shown in the		
	Principal Amount of Bonds and Notes	Statement of Financial Position	Income Received and Accrued
Cash in Banks and Cash Equivalents			
Philippine Peso and US Dollar Deposits			
<i>Philippine National Bank</i>	₱1,919,251,296	₱1,919,251,296	₱91,860,176
<i>Unionbank of the Philippines</i>	99,480	99,480	–
Financial Assets at FVTPL			
PNB Prime Peso Money Market Fund			
<i>Philippine National Bank</i>	2,650,000	3,245,385	–
Equity Securities	16,664 shares	33,430	–
Financial Assets at FVOCI			
Government Securities	6,000,000	5,628,591	270,000
Golf Clubs	5 shares	212,400,000	–
		₱2,140,658,182	₱92,130,176

SCHEDULE A

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Shares or Amount Shown in the Principal Amount of Bonds and Notes	Statement of Financial Position	Income Received and Accrued
Cash in Banks and Cash Equivalents			
Philippine Peso Deposit			
<i>Philippine National Bank</i>	₱1,761,433,579	₱1,761,433,579	₱47,970,110
Financial Assets at FVTPL			
PNB Prime Peso Money Market Fund			
<i>Philippine National Bank</i>	2,650,000	3,111,498	–
Equity Securities	16,664 shares	54,474	–
Financial Assets at FVOCI			
Government Securities	6,000,000	5,809,043	635,000
Golf Clubs	5 shares	156,121,901	–
		₱1,926,530,495	₱48,605,110

SCHEDULE A

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2022

Name of Issuing Entity and Association of Each Issue	Number of Shares or Amount Shown in the Principal Amount of Bonds and Notes	Statement of Financial Position	Income Received and Accrued
Cash in Banks and Cash Equivalents			
Philippine Peso Deposit			
<i>Philippine National Bank</i>	₱1,144,069,799	₱1,144,069,799	₱4,548,584
Financial Assets at FVTPL			
PNB Prime Peso Money Market Fund			
<i>Philippine National Bank</i>	2,650,000	2,925,883	–
Equity Securities	16,664 shares	108,477	–
Financial Assets at FVOCI			
Government Securities	11,000,000	10,829,171	1,466,122
Golf Clubs	5 shares	144,000,000	–
		₱1,301,933,330	₱6,014,706

SCHEDULE B**PNB HOLDINGS CORPORATION****SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED
PARTIES)****DECEMBER 31, 2024, 2023, 2022**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
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The Company has no receivables from its directors, officers, employees, related parties and principal stockholders as of December 31, 2024, 2023 and 2022.

SCHEDULE C

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2024, 2023 AND 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
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The Company has no subsidiaries; hence, it is not required to prepare consolidated financial statements.

SCHEDULE D

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT

DECEMBER 31, 2024, 2023 AND 2022

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in related Statement of Financial Position	Amount Shown under Caption "Long-term Debt" in related Statement of Financial Position
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The Company has no long-term debt as of December 31, 2024, 2023 and 2022.

SCHEDULE E

PNB HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED PARTIES)

DECEMBER 31, 2024, 2023 AND 2022

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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The Company has no long-term loans from related parties as of December 31, 2024, 2023 and 2022.

SCHEDULE F**PNB HOLDINGS CORPORATION****SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024, 2023 AND 2022**

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount of Guaranteed and Outstanding	Amount Owed by Person for which Statement is Filed	Nature of Guarantee
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Not applicable

SCHEDULE G**PNB HOLDINGS CORPORATION****SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK****DECEMBER 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at Shown Under related Balance Sheet	Number of Shares for Options, Warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Directors, Officers and Employees	Others
Common Stock	505,000,000	469,321,000	–	469,320,992	8	–

SCHEDULE G**PNB HOLDINGS CORPORATION****SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK****DECEMBER 31, 2023**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at Shown Under related Balance Sheet	Number of Shares for Options, Warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Directors, Officers and Employees	Others
Common Stock	505,000,000	469,321,000	–	469,320,992	8	–

SCHEDULE G**PNB HOLDINGS CORPORATION****SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK****DECEMBER 31, 2022**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at Shown Under related Balance Sheet	Number of Shares for Options, Warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Directors, Officers and Employees	Others
Common Stock	505,000,000	469,321,000	—	469,320,992	8	—