COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4 2 5 4 2

Company Name

S T . P E T E R L I F E P L A N , I N C .

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

S T . P E T E R C O R P O R A T E C E N T E R

9 9 9 E D S A B R G Y . V E T E R A N S

V I L L A G E , Q U E Z O N C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A F S	C R M D	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
lifeplanchapels@stpeter.com.ph	8-3717757	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
20	1st Friday of February	**December 31, 2024**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jonathan B. Vitangcol	tanbv@stpeter.com.ph	8-3717757	09178001010

Contact Person's Address
Unit 8 Aspen St. Ayala Ferndale Homes, Pasong Tamo, Quezon City

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 therof 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.

ACYATAN & CO.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
ST. PETER LIFE PLAN, INC.
St. Peter Corporate Center, 999 EDSA Quezon City 1101 Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ST. PETER LIFE PLAN, INC.** (the "Company"), which comprise the Statements of Financial Position as of December 31, 2024 and 2023, and the Statements of Income, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the years then ended, and Notes to Financial Statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **ST. PETER LIFE PLAN, INC.,** as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) 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 of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards and accounting principles generally accepted in the Philippines for pre-need companies as described in Note 2 and 3 to the financial statements, and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 as disclosed in Note 34 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ACYATAN & CO., CPAs

AJAcyatan-Guerrero

ARMINDA T. ACYATAN-GUERRERO
Managing Partner
CPA Certificate No. 085531
Tax Identification No. 139-584-275
BOA/PRC Accreditation No. 0141 effective until April 30, 2026
IC Group A Accreditation
Partner No. 85531-IC, effective until Financial Period 2024
Firm No. 0141-IC, effective until Financial Period 2024
SEC Group C Accreditation
Partner No. 85531-SEC, effective until Financial Period 2025
Firm No. 0141-SEC, effective until Financial Period 2025
BIR Accreditation No. 07-100682-002-2023
Issued on September 21, 2023, effective until September 20, 2026
PTR No. 5715430; Issued on 01-03-2025 at Mandaluyong City

March 26, 2025
Mandaluyong City-Philippines

ACYATAN & CO.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT
(In compliance with SRC Rule 68)

The Board of Directors and Stockholders
ST. PETER LIFE PLAN, INC.
St. Peter Corporate Center, 999 EDSA Quezon City 1101 Philippines

We have audited the accompanying financial statements of **ST. PETER LIFE PLAN, INC.** (the "Company") for the calendar year ended December 31, 2024, on which we have rendered the attached report dated March 26, 2025.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has nine (9) stockholders owning one hundred (100) or more shares each of the Company's capital stock as of December 31, 2024, as disclosed in Note 19 to the financial statements.

ACYATAN & CO., CPAs

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ARMINDA T. ACYATAN-GUERRERO
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PTR No. 5715430; Issued on 01-03-2025 at Mandaluyong City

March 26, 2025
Mandaluyong City-Philippines

ST. PETER LIFE PLAN, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

(In Philippine Peso)	***Notes***	**2024**	2023
ASSETS			
Cash and Cash Equivalents	*6*	**1,694,156,442**	1,727,297,616
Financial Assets	*4,5,7*	**5,144,931,231**	4,728,639,877
Investments in Trust Funds	*4,5,8*	**109,860,190,377**	95,816,488,688
Other Reserves Fund	*4,5,9*	**2,709,687,142**	2,371,730,077
Prepayments and Office Supplies	*10*	**16,367,317**	14,697,763
Investments in Subsidiaries	*11*	**3,286,915,000**	2,924,443,800
Property and Equipment, Net	*12*	**697,151,578**	601,828,666
Investment Properties	*13*	**80,325,000**	51,342,000
Right-of-Use Assets	*30*	**132,114,201**	94,329,014
Net Pension Asset	*29*	**208,233,893**	364,987,341
Other Assets	*14*	**9,613,055**	8,194,996
TOTAL ASSETS		**123,839,685,236**	108,703,979,838
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued Expenses and Other Liabilities	*15*	**757,619,110**	799,737,314
Income Tax Payable		**148,112,088**	144,691,228
Pre-Need Reserves	*3,16*	**99,187,919,668**	89,092,309,776
Other Reserves	*3,17*	**2,140,948,351**	1,928,406,877
Lease Liabilities	*30*	**133,006,938**	87,256,249
Deferred Tax Liabilities, Net	*27*	**127,095,960**	135,139,707
Other Liabilities	*18*	**331,228,862**	310,426,537
TOTAL LIABILITIES		**102,825,930,977**	92,497,967,688
EQUITY			
Capital Stock	*19*	**1,360,000,000**	1,360,000,000
Retained Earnings	*19*	**19,545,857,923**	14,822,073,755
Revaluation Reserve from Financial Assets - Trust Fund	*8*	**21,505,969**	(96,624,909)
Revaluation Reserve from Financial Assets	*7,9*	**18,855,116**	(7,281,671)
Revaluation Reserve from Property & Equipment	*12*	**189,401,786**	102,401,786
Remeasurement Reserve from Defined Benefit Plan	*29*	**(121,866,535)**	25,443,189
TOTAL EQUITY		**21,013,754,259**	16,206,012,150
TOTAL LIABILITIES AND EQUITY		**123,839,685,236**	108,703,979,838

(See Accompanying Notes to Financial Statements)

ST. PETER LIFE PLAN, INC.
STATEMENTS OF INCOME
For the Years Ended December 31, 2024 and 2023

(In Philippine Peso)	*Notes*	**2024**	2023
INCOME			
Premium Revenue	*20*	**21,561,472,485**	21,755,475,860
Trust Fund Income	*21*	**6,243,399,049**	3,116,084,228
Investments Income	*22*	**438,570,138**	232,037,362
Other Income	*23*	**1,193,212,576**	1,075,241,345
Total Income		**29,436,654,248**	26,178,838,795
COSTS AND EXPENSES			
Cost of Contracts Issued			
Increase /(Decrease) in Pre-Need Reserve Including Trust Fund Contributions	*16*	**13,885,247,195**	13,236,686,682
Increase /(Decrease) in Other Reserves	*17*	**212,541,474**	233,604,184
Registration Fees and Documentary Stamp Tax	*34*	**48,133,088**	98,523,927
Other Direct Costs and Expenses	*25*	**7,962,342,280**	8,680,336,363
General and Administrative Expenses	*26*	**1,334,078,312**	1,127,792,557
Total Costs and Expenses		**23,442,342,349**	23,376,943,713
INCOME BEFORE INCOME TAX		**5,994,311,899**	2,801,895,082
INCOME TAX EXPENSE	*27*	**(454,527,731)**	(416,568,014)
NET INCOME		**5,539,784,168**	2,385,327,068

(See Accompanying Notes to Financial Statements)

ST. PETER LIFE PLAN, INC.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023

(In Philippine Peso)	*Notes*	**2024**	2023
NET INCOME		**5,539,784,168**	2,385,327,068
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not be reclassified into profit or loss:			
Remeasurement Loss on Defined Benefit Obligation	*29*	**(196,412,965)**	(8,347,455)
Revaluation Increment of Property and Equipment	*12*	**116,000,000**	-
Total		**(80,412,965)**	(8,347,455)
Deferred Income Tax Benefit		**20,103,241**	2,086,864
		(60,309,724)	(6,260,591)
Items that may be reclassified subsequently into profit or loss:			
Changes in Fair Value of FVOCI - Financial Assets	*7, 9*	**26,136,787**	30,104,360
Changes in Fair Value of FVOCI - Trust Funds	*8*	**118,130,878**	333,725,654
		144,267,665	363,830,014
TOTAL COMPREHENSIVE INCOME		**5,623,742,109**	2,742,896,491

(See Accompanying Notes to Financial Statements)

ST. PETER LIFE PLAN, INC

STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023

(In Philippine Peso)	**Capital Stock** *(Note 19)*	**Retained Earnings** *(Note 19)*	**Revaluation Reserves from Financial Assets - Trust Fund** *(Note 8)*	**Revaluation Reserves from Financial Assets** *(Note 7&9)*	**Revaluation Reserves from Property and Equipment** *(Note 12)*	**Remeasurement Reserve from Defined Benefit Plan** *(Note 29)*	**Total**
Balance at December 31, 2022	1,360,000,000	13,116,746,687	(430,350,563)	(37,386,031)	102,401,786	31,703,779	14,143,115,658
Declared Dividends	-	(680,000,000)	-	-	-	-	(680,000,000)
Increase in Unrealized Gains	-	-	333,725,654	30,104,360	-	-	363,830,014
Remeasurement Loss on Defined Benefit Plan	-	-	-	-	-	(6,260,590)	(6,260,590)
Net Income	-	2,385,327,068	-	-	-	-	2,385,327,068
Balance at December 31, 2023	1,360,000,000	14,822,073,755	(96,624,909)	(7,281,671)	102,401,786	25,443,189	16,206,012,150
Declared Dividends	-	(816,000,000)	-	-	-	-	(816,000,000)
Increase in Unrealized Gains	-	-	118,130,878	26,136,787	87,000,000	-	231,267,665
Remeasurement Gain on Defined Benefit Plan	-	-	-	-	-	(147,309,724)	(147,309,724)
Net Income	-	5,539,784,168	-	-	-	-	5,539,784,168
Balance at December 31, 2024	**1,360,000,000**	**19,545,857,923**	**21,505,969**	**18,855,116**	**189,401,786**	**(121,866,535)**	**21,013,754,259**

(See Accompanying Notes to Financial Statements)

ST. PETER LIFE PLAN, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

(In Philippine Peso)	*Notes*	**2024**	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before Income Tax		**5,994,311,899**	2,801,895,082
Adjustments for:			
Increase in Pre-need Reserves	*16*	**10,095,609,892**	9,066,283,222
Increase in Other Reserves	*17*	**212,541,474**	233,604,184
Investments Income	*22*	**(438,570,138)**	(232,037,362)
Depreciation and Amortization	*12, 30*	**126,263,740**	97,663,930
Trust Fund Income	*21*	**(6,243,399,049)**	(3,116,084,228)
Interest Expense	*30*	**5,618,759**	5,618,759
Retirement Expense	*29*	**22,716,883**	31,936,287
Interest Income		**(10,457,612)**	(705,181)
Fair Value Gains from Investment Property		**(28,983,000)**	-
Operating Income before Working Capital Changes		**9,735,652,848**	8,888,174,693
Decrease (Increase) in:			
Prepayments and Office Supplies	*10*	**(1,669,554)**	10,254,775
Other Assets	*14*	**(1,418,059)**	(660,384)
Increase (Decrease) in:			
Accrued Expenses and Other Liabilities	*15*	**(42,118,204)**	292,314,809
Other Liabilities	*18*	**20,802,325**	25,692,688
Net Cash Provided by Operating Activities		**9,711,249,356**	9,215,776,581
Contributions to Pension Plan	*3,29*	**(62,376,400)**	(70,281,674)
Interest Received		**10,457,612**	705,181
Income Tax Paid		**(439,047,375)**	(372,169,649)
Net Cash Provided by Operating Activities		**9,220,283,193**	8,774,030,439
CASH FLOWS TO INVESTING ACTIVITIES			
Investment Income Received	*22*	**438,570,138**	232,037,362
Addition in Financial Assets	*7*	**(390,371,098)**	(21,636,502)
Addition in Other Reserves Fund	*9*	**(337,740,536)**	(294,087,198)
Proceeds from Withdrawal of Investment in Trust Funds	*8*	**3,812,186,230**	4,170,403,461
Contributions to Trust Fund	*4,5,9*	**(11,494,357,992)**	(10,959,130,748)
Investment in Subsidiaries	*11*	**(362,471,200)**	(499,824,500)
Acquisitions of Property and Equipment	*12*	**(35,886,132)**	(67,065,578)
Net Cash Used in Investing Activities		**(8,370,070,590)**	(7,439,303,703)
CASH FLOWS TO FINANCING ACTIVITIES			
Dividends Paid	*19*	**(816,000,000)**	(680,000,000)
Lease Payments	*30*	**(67,353,777)**	(63,013,869)
Cash Used in Investing Activities		**(883,353,777)**	(743,013,869)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(33,141,174)**	591,712,867
CASH AND CASH EQUIVALENTS AT JANUARY 1		**1,727,297,616**	1,135,584,749
CASH AND CASH EQUIVALENTS AT DECEMBER 31	*6*	**1,694,156,442**	1,727,297,616

(See Accompanying Notes to Financial Statements)

ST. PETER LIFE PLAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023
(Amount in Philippine Peso)

1. GENERAL INFORMATION

ST. PETER LIFE PLAN, INC. (the "Company") was incorporated in the Philippines to engage in the business of organizing, establishing, developing, conducting, maintaining, operating and selling of memorial plans and/or arrangements for funerals or memorial services and merchandise or articles of all kinds and descriptions pertinent or necessary thereto, to be delivered in the future to subscribers, purchasers, or plan holders, workers and all types of merchandise, equipment and/or services pertaining to the cemetery business, to provide funeral or memorial services or the burial, cremation and care of the remains of the departed. The Company has no ultimate parent or controlling individual.

The registered principal office address of the Company is at St. Peter Corporate Center, 999 EDSA Quezon City 1101 Philippines.

Approval of Financial Statements

On March 17, 2025, the Board of Directors of St. Peter Life Plan, Inc. approved and authorized the issuance of these audited financial statements as of and for the year ended December 31, 2024 (including the comparatives for the year ended December 31, 2023).

2. PRE-NEED REGULATIONS

On December 3, 2009, the Republic Act (RA) No. 9829, An Act Establishing the Pre-need Code of the Philippines, was approved. It is a consolidation of Senate Bill No. 2077 and House Bill No. 6407 passed by the Senate and the House of Representatives on September 30, 2009 and September 29, 2009, respectively.

The following are the more significant provisions under RA No. 9829:

- *Authority of the Insurance Commission (IC).* All pre-need companies shall be under the primary and exclusive supervision and regulation of the IC (the Commission).
- *Paid-up Capital.* A pre-need company incorporated after the effectivity of the Code shall have a minimum paid-up capital of 100 million. Existing pre-need companies shall comply with the following minimum unimpaired paid-up capital:
  a. 100 million for companies selling at least three (3) types of plan;
  b. 75 million for companies selling two (2) types of plan; and
  c. 50 million for companies selling a single type of plan.
- *Trust Fund.* The trust fund shall at all times be sufficient to cover the required pre-need reserve. The RA specifies the minimum amount of corresponding contributions to the trust fund.

- *Limitations on Different Investments of the Trust Funds.* To ensure the liquidity of the trust fund to guarantee the delivery of the benefits provided for under the plan contract and obtain sufficient capital growth to meet the growing actuarial reserve liabilities, all investments of the trust fund(s) of a pre-need company shall be limited and subject to limitations specified by the RA.

Under Chapter 11, Section 47 of the Pre-need Code, the IC shall have the authority to make, amend and rescind such accounting rules and regulations applicable for pre-need companies. In the absence of new accounting rules, amendments to or rescission of the current accounting rules authorized by the IC, the Company continues to follow the amended PNUCA.

Implementing Rules and Regulations (IRR) of RA No. 9829
After the issuance of RA 9829, the Commission issued the IRR on March 8, 2010. The salient provisions of the IRR are the same with that of RA No. 9829.

SEC Memorandum Circular (SMC) No. 6. Series of 2002
The SEC issued SMC No. 6, Standards for Valuation of Actuarial Reserve Liabilities for Pre-Need Plans (SEC Circular No. 6), effective June 27, 2002 (amended April 10, 2003). The following are the more significant provisions of this Circular:

a. Actuarial reserve liabilities (ARL) must be set up for all pre-need benefits guaranteed and payable by the pre-need company as defined in the pre-need plan contracts;

b. Where insurance coverage is provided in the plan contract, insurance premium reserves must be set up as a separate liability.

c. The ARL must be determined by using a prospective method in accordance with the guidelines and Standards of the Actuarial Society of the Philippines;

d. Actuarial reserve valuation methods must be consistent with any allowed accounting adjustments for deferred expenses. The net level contribution method of prospective valuation for both pre-need benefits reserve and insurance premium reserve (IPR) shall be used when there is deferment of expenses. Only first year commissions, overrides and bonuses may be deferred.

   Administrative and other marketing expenses shall not qualify for deferral. The period of deferment shall not exceed the installment payment period and shall be in accordance with the New Pre-Need Rules which took effect on September 21, 2001;

e. The ARL for a contract that has defaulted in payment of installments of the price, but which may still be reinstated, shall not be less than its reserve minus the uncollected contribution to reserve up to the date of valuation, multiplied by a validated reinstatement factors as determined by the actuary, provided the uncollected contributions to reserve is not reflected as an asset;

f. The interest rate assumption in reserve valuation should be reflective of expenses and taxes incurred on investments, but the rate shall in no case exceed 80% of the average interest rate for the longest-term Philippine government security traded during the previous three (3) months.

If the experience net yield rate of the trust fund is higher than the set maximum, the actuary must show conclusive proof of the contracts whose reserves are being valued, before assuming such experience net yield;

g. Rates of surrender, cancellation, utilization and inflation, when applied, must consider the actual experience of the company in the last three (3) years, or the industry, in the absence of a reliable company experience.

h. In determining the ARL of fully paid plans, no decrement rates other than utilization rates for the contingent principal benefits may be used. The actuary shall submit to the SEC for approval the necessary justification for any exception made to this rule; and

The actuary shall validate every year the actuarial assumptions used in the reserve valuation and shall include in the actuarial certification a statement of the validation procedure.

Pre-Need Rule 31, as Amended: Accounting Standards for Pre-Need Plans and Pre-Need Uniform Charts of Accounts (PNUCA)

On May 10, 2007, the Pre-Need Rule 31: Accounting Standards for Pre-Need Plans and Pre-Need Uniform Charts of Accounts (PNUCA) was amended.

The following are the more significant provisions under the Amended Pre-Need Rule 31:

Trust Funds

a. The net asset value in the trust funds shall be at least equal to the required Pre-Need Reserves (PNR) as determined by a qualified actuary using the method prescribed in this Rule.

b. All requirements under the rules and regulations as may be promulgated by the IC on trust funds shall be complied with.

c. The recognitions and measurement of the assets in the trust funds shall be in accordance with Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement* and PAS 40, *Investment Property* and other applicable standards, depending on the composition of the fund.

d. The component assets and liabilities of the trust funds shall be presented separately in the notes to financial statements.

Pre-Need Reserves

a. PNR shall be set up for all pre-need benefits guaranteed and payable by the pre-need company as defined in the pre-need plan contracts;

b. In recognizing the PNR for life plans, the general requirements of PFRS 4, *Insurance Contracts*, on provisioning and specific methodology provided under this item shall be complied by the Company;

c. The amount recognized as a provision to cover the PNR shall be the best estimate of the expenditure required to settle the present obligation at the reporting date. The risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching the best estimate of a provision;

d. Since the effect of time value of money for pre-need plans is material the amount of provision shall be the present value of the funding expected to be required to settle the obligation with due consideration of the different probabilities as follows:

   (i) On Currently-Being-Paid Plans

   1. Provision for termination values applying the surrender rate experience of the Company; and
   2. Liability shall be set up for the currently-being-paid plans. It shall be equivalent to the present value of future benefits reduced by the present value of future fund contributions discounted at an attainable interest rate per Product Model of the Company;

   (ii) On Lapsed Plans within the Allowable Reinstatement Period
   1. Provision for lapsed plans applying the reinstatement experience of the company shall be set up;

   (iii) Fully Paid Plans
   1. For fully paid plans, the reserve shall be the present value of future benefits discounted at the attainable rate, as determined and certified by the Company's actuary using industry best practices and principles which shall be indicated in such certification.

e. Future events that may affect the foregoing amounts shall be reflected in the amount of provision for PNR where there is sufficient objective evidence that they will occur;

f. The rates of surrender, cancellation, reinstatement, utilization and inflation, when applied, must consider the actual experience of the company in the last three (3) years, or the industry in the absence of a reliable company experience;

g. The computation of the foregoing assumptions shall be validated by an independent qualified actuary of the pre-need company. His or her validation report shall be provided to its external auditors for purposes of statutory audit of the financial statements of the company and shall be submitted to the IC as a separate report;

h. The probability of pre-termination or surrender of fully paid plans shall be considered in determining the PNR of fully paid plans. A pre-need termination experience on fully paid plans of 5% and below shall be considered insignificant. In such cases, derecognition of liability shall be recorded at pre-termination date;

i. The disclosure requirement under PAS 1, *Presentation of Financial Statements*, relative to methods and assumptions used to estimate the PNR, including the sensitivity of the PNR amount, shall be complied with; and

j. Any excess in the trust fund as a result of the revised reserving method shall not be released from the fund and may be credited for future deposit requirements.

Other Reserves Fund
This represents corporate assets that are allocated to cover the payment of insurance premium and expenses that the Company will incur in administering the pre-need plan after payment period. This shall at least be equal to the amount computed for the Insurance Premium Reserves (IPR) under "Other Reserves" account.

Other Reserves
The Company shall set-up other provisions in accordance with PAS 37 to cover obligations such as Insurance Premium Reserve (IPR).

Unless the IC shall so specifically require, a company may, at its option, set up other provisions as a prudent measure.

Premium Revenues
Premiums from sale of pre-need plans shall be recognized as earned when collected. When premiums are recognized as income, the related cost of contracts shall be computed with the result that benefits and expenses are matched with such revenue.

Trust Fund Income
Income generated by the trust fund shall be included in the Investment in Trust Funds account under the asset section of the statement of financial position *(Note 8)*.

The amount of the trust fund income shall be disclosed in the notes to the financial statements. The portion of the retained earnings representing the trust fund income shall be automatically restricted to payment of benefits of plan holders and such other related payments as allowed under the Pre-Need Code and other pertinent rules.

Cost of Contracts Issued
This account pertains to:

a. The increase in PNR for the current year as compared to the provision for the same period of the previous year. If there is a decrease in the PNR as a result of new information or new developments, the amount shall be deducted from the Cost of Contracts Issued of the current period. In case of material prior period error, the requirements of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, shall be complied with by the pre-need company;
b. Amount of trust funds contributed during the year; and
c. Documentary stamp tax and registration fees.

The foregoing items shall be presented separately on the face of the Statements of Comprehensive Income.

Other Direct Costs and Expenses
This account includes the following, which shall be presented separately in the notes to the financial statements:

a. Basic and other commission expenses;
b. Insurance;
c. Other expenses that constitute direct cost of contracts issued.

SEC Interpretative Bulletin No. 1 Series of 2008
On January 17, 2008, the SEC issued a bulletin to guide pre-need corporations, pre-need actuaries and pre-need external auditors on the implementation of Pre-Need Rule 31, As Amended, *Accounting Standards for Pre-Need Plans* (Pre-Need Rule 31, As Amended) and PNUCA.

The more significant provisions of this bulletin are as follows:

Pre-Need Reserves
The PNR or the reserve for education plan, life plan and pension plan, cover the liabilities for education plan, life plan and pension plan. PNR represents the present value of future pre-need benefits less the present value of future trust fund contributions. The amount indicated as PNR shall be the same as stated in the Actuarial Valuation Report and Audited Financial Statements with the required disclosures.

Other Reserves
The Company is required to set up an insurance premium reserve under the account "Other Reserves." This account may also include the following items:

1) Paid up capital reserves;
2) Reserve for the difference in the PNR computation using a rate other than the SEC-approved hurdle rate and;
3) Other reserves as may be allowed by the Commission.

IC Circular Letter No. 8-2012
On March 15, 2012, the IC issued Circular Letter No. 8-2012, *Allowable Investment for Pre-need Trust Funds.* In addition to the provisions of Section 34 of the Pre-need Code, Investment of the Trust Fund, the following additional investment outlets shall be allowed as "Other Investments" with corresponding maximum limits and subject to prior approval of the IC.

The amount allocated shall not exceed twenty percent (20%) of the total trust fund while the investment in any particular item below shall not exceed fifteen percent (15%) of the trust fund.

Provided, further, that no investment in any single entity shall exceed ten percent (10%) of the total value of trust fund.

a. Preferred shares – Preferred stock, also called preferred shares, preference shares of simply preferred, is a special equity security that has properties of both equity and a debt instrument and is generally considered a hybrid instrument. Preferred are senior (i.e., higher ranking) to a common stock but are subordinate to bonds. Preferred stock usually carries no voting rights, but may carry a dividend and may have priority over common stock in the payment of dividends and upon liquidation.

b. Real Estate Investment Trust (REIT) – Real estate investment trust or REIT as defined under Republic Act No. 9856 is a stock corporation establish in accordance with the Corporation Code of the Philippines and the rules and regulation promulgated by the IC principally for the purpose of owning income-generating real estate assets. For purposes of clarity, a REIT, although designated as a 'Trust' does not have the same technical meaning as 'trust' under existing laws and regulations but it used herein for the sole purpose of adopting the internationally accepted description of the company in accordance with global best practices.

c. Tier 2 Notes – Tier 2 notes that generally constitute direct, unconditional, unsecured and subordinated obligations of a bank. More commonly, claims of all noteholders will enjoy priority over the rights and claims of holders of all classes of equity securities of a bank, including holders of preference shares, if any. The issuer bank should have a credit rating of no less that ‘A’ from Philippine Rating Services Corporation (PhilRatings).

d. Service Assets – Under Republic Act No. 9829, Section 35 Responsibilities of a Trustee of Pre-need Companies under (c) ‘Not use the trust fund to invest in or extend any loan or credit accommodation to the pre-need Company, its directors, officers, stockholders and related interests as well as to persons or enterprises controlling, owned or controlled by, or under common control with said company, its directors, officers, stockholders and related interests except for entities which are direct providers of pre-need companies.

   Service assets are investment by a pre-need company directly or through a service provider in resources or capabilities that may be used to offset a future liability. These are assets or shares which are not intended for resale or investment but to offset future liabilities.

   i. Pre-need companies differ from insurance companies because their obligations are not necessarily financial in nature. Some of their liabilities may be in the form of assets or services. Hence, there are arbitrage opportunities where the pre-need company is able to provide the service or asset at a cost below the amount originally projected in the financial model.

   ii. Mortuaries – Historically investments by pre-need companies in mortuaries have allowed some pre-need companies to answer their life plan obligation. Investments take the form of buying or investing in mortuaries, purchasing assets required to provide memorial services, such as hearses, cremation machines or loaning funds to independent mortuaries where conditions of the loan include providing discounted memorial services.

   iii. Memorial lots and/or columbaries – Some life plan liabilities are in the form of memorial lots or columbaries, where the commitment of the life plan company is to provide a complete funeral service including a memorial lot.

      Memorial lots or columbaries that are not part of the package of a funeral service shall be considered as inventories held for sale. In which case, the asset shall be considered as real estate.

   iv. Schools – Investments by pre-need companies in educational institutions would reduce the cost of servicing education plans, because the cost of educating additional students is only marginal. The pre-need company would only have to spend on the marginal cost of educating additional students.

   v. Retirement homes – Some pension plans may include the provision of adult oriented housing for retirees as a benefit of the pension plan. Consequently, the ownership of such service assets will inoculate or control the liability of the pre-need company.

As of December 31, 2024 and 2023, the Company has complied with the allowable investments under IC Circular Letter No. 8-2012 (Note 8).

IC Circular Letter No. 23-2012
On November 23, 2012, the IC has issued Circular Letter 23-2012 relating to the Valuation of Transitory Pre-Need Reserves (TPNR). The circular states that in order to provide regulatory leeway for old basket of plans previously approved by the SEC, the valuation of PNR shall be governed by the following:

a. *Discount Interest Rate for the PNR*
The transitory discount interest rate per year shall be used in the valuation of PNR shall not exceed the lower attainable rates as certified by the Trustee and the following rates below:

Year	Discount Interest Rate
2012-2016	8.00%
2017	7.25%
2018	6.50%
2019 and onwards	6.00%

For the year ended December 31, 2024, the Company has used the attainable rate of 6.00% in valuing its PNR *(Note 16).*

b. *Transitory Pre-Need Reserve*
In effecting the transition in the valuation of reserves for old basket of plans, IC shall prescribe a TPNR with a maximum period of ten (10) years.

For each of the pre-need plan categories, the TPNR shall be computed annually on all old basket of plans outstanding at the end of each year from 2012 to 2022 using the discount interest rates provided above. If the actual trust fund balance is higher than or equal to the resulting PNR then the liability set-up shall be the PNR. However, if the resulting PNR is greater than the actual trust fund balance at the end of the year, TPNR shall be computed.

The actual trust fund balance shall be the trust fund balance at the end of the year net of any receivables by the pre-need company from the trustee for the contractual benefits outstanding as of the end of the year.

The TPNR liability shall be recognized each year. The trust fund deficiency shall be funded by the pre-need company within sixty (60) days from April 30 following the valuation date.

As of December 31, 2024, the Company's investment in trust fund is significantly higher than the PNR computed using the discount interest rates required by IC Circular Letter 23-2012.

<u>IC Circular Letter No. 43-2015</u>
On August 7, 2015, the IC has issued Circular Letter No. 43-2015 relating to the Guidelines on the Management of the Trust Fund to govern the management and administration of the trust fund established for the payment of pre-need benefits under plan contracts and to provide an updated and more flexible choice of investments for the net surplus fund subject to rules and regulations that would ensure prudent investment management and protection of the interests of the planholders, including the promotion of the sound, stable and sustainable growth of the pre-need industry as provided for in Section 2 of the Pre-Need Code.

Trust fund surplus
The net asset value in the trust fund shall be at least equal to the required pre-need reserve liability (PRL) as determined by an accredited actuary.

The PRL shall be computed in accordance with the prescribed applicable rate at the time of valuation.

Net surplus fund
The net surplus fund is an extended fund of the trust fund. Its availability shall be determined based on the trust fund income as of December 31 of the immediately preceding calendar year.

The net surplus fund is determined as the difference between the rust fund surplus against the sum of provision for adverse deviation and excess liability reserve.

Trust fund surplus refers to the excess of the net asset value in the trust fund over the pre-need reserve liability. The net asset value is the trust fund balance at the time of valuation. The net asset value is also referred to as trust fund equity.

Investment of the trust fund and net surplus fund
Investment of the trust fund shall be limited to the allowable investments provided for under Section 34 of the Pre-Need Code and to such other investments approved by the Commission, and shall be subject to the limitations found therein.

In case there is a net surplus, investment of the same shall be limited to the items enumerated under Section 34 of the Pre-Need Code and other allowable investments approved by the Commission, without the percentage limits set forth. Any investment outlet not enumerated therein may be allowed subject to the prior approval of the Insurance Commission.

The net surplus shall be placed in net surplus fund of each of the plan type (life, pension and education plan).

Withdrawal of the excess liability reserves of closed accounts
Withdrawal of the excess liability reserve (ELR) of closed accounts from the trust fund may be allowed subject to the prior approval of the Commission and payment of processing fee of 50,000 per application.

Request for the withdrawal of the ELR of closed accounts shall be submitted within thirty (30) days from receipt by the Commission of the Actuarial Valuation Report.

In case the Commission acts favorably on the request, withdrawal shall be made within sixty (60) days from receipt of approval. No withdrawal after sixty (60) day period shall be allowed by the trustee bank.

The total plan deposit and ELR information per plan contract shall be included in the monthly trust fund withdrawal report submitted to the Commission.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Financial Statement Preparation
The Company's financial statements have been prepared in accordance with financial reporting framework in the Philippines for pre-need companies and Philippine Financial Reporting Framework as set forth in Philippine Financial Reporting Standards (PFRS) Accounting Standards applicable for pre-need companies in the Philippines. PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC except for the accounting treatment of revenues and financial liabilities under PAS and PFRS 4 where the SEC issued a notice of the Revised PNUCA on May 10, 2007. The Company's financial statements have been prepared in accordance with accounting standards set forth in the Pre-need Rule 31, As Amended: *Accounting Standards for Pre-Need Plans and Pre-Need Uniform Chart of Accounts (PNUCA)*.

The financial statements are prepared under the historical cost convention modified for the measurement of financial assets at their Fair Value and/or Present Value as dictated by the standard.

SEC Accounting Rules
The significant provisions of the rules and regulations of the revised PNUCA adopted by the Company are as follows:

a. Presentation of Financial Statements adopting the SEC Uniform Chart of Accounts resulted to reclassification of current financial statement accounts and additional disclosures;
b. Pre-Need Reserve Liabilities are set up for all pre-need benefits guaranteed and payable by the Company as defined in the pre-need plan contracts;
c. Provisions for Pre-Need Reserves are set up by the Company in accordance with PFRS 4;
d. Premium Revenue represents collections from sale of pre-need plans and presented as the major source of revenue in the Statements of Comprehensive Income.

Functional and Presentation Currency
These financial statements are prepared in Philippine Peso (₱), the Company's Functional Currency, and all values are rounded to the nearest peso except when otherwise indicated.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Adoption of Amended Standards

Effective in 2024 that are relevant to the Company

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2024. The application of these amendments had no significant impact on the Company's financial statements, unless otherwise stated.

- **Amendments to PAS 1**, *Non-current Liabilities with Covenants* (effective from January 1, 2024) – The amendments clarify that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. The amendments also stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability and adding guidance about lending conditions and how these can impact classification including requirements for liabilities that can be settled using an entity's own instruments.

- **Amendments to PAS 7,** *Cash Flow Statements* **and PFRS 7**, *Financial Statements disclosures - Supplier Finance Arrangements* (effective from January 1, 2024) – The amendments require additional disclosures that complement the existing disclosures in these two Standards. They require entities to disclose the terms and conditions of the arrangement, the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position, ranges payment due dates, and liquidity risk information.

- **Amendments to PFRS 16**, *Lease Liability in a Sale and Leaseback* (effective from January 1, 2024) – The amendment issued additional guidelines on accounting for sale and leaseback transactions.

Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements:

- **Amendments to PAS 21**, *The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025) – The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements.

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

In response to the challenges brought by the Covid-19 pandemic, the Insurance Commission issued Circular Letter 2020-062, Amendment of Section 1 of Circular Letter No. 2018-69, Deferral of IFRS 17 Implementation, which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS 17 for annual periods beginning on or after January 1, 2025. Subsequently, in October 2024, the IC issued Circular Letters 2024-19 and 2024-20, further deferring the adoption dates for Mutual Benefit Associations (MBAs) and Health Maintenance Organizations (HMOs). The Securities and Exchange Commission (SEC) approved this deferral, setting the new effective dates as January 1, 2030, for MBAs and January 1, 2027, for HMOs.

- **Amendments to PFRS 9 and PFRS 7:** ***Classification and Measurement of Financial Instruments*** (effective from January 1, 2026) – These amendments aim to enhance clarity and consistency in the application of financial instrument standards. Key changes include:

  - **Derecognition of Financial Liabilities Settled Through Electronic Payment Systems**: Provides guidance on when a financial liability should be derecognized upon settlement via electronic payment, allowing for derecognition before the settlement date if specific criteria are met.
  - **Assessment of Contractual Cash Flows**: Offers additional guidance to determine whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement, including considerations for features related to environmental, social, and governance (ESG) matters.
  - **Clarification on Non-Recourse Features and Contractually Linked Instruments**: Clarifies definitions and assessment criteria for non-recourse features and contractually linked instruments to ensure accurate classification and measurement.
  - **Enhanced Disclosure Requirements in PFRS 7**: Introduces new disclosures for investments in equity instruments designated at fair value through other comprehensive income and for financial instruments with contractual terms that could change cash flows based on contingent events.

  These amendments aim to address issues identified during the post-implementation review of PFRS 9 and promote consistent application of the standards. Early adoption is permitted, with entities required to apply the amendments retrospectively, though restatement of prior periods is not mandatory unless it can be demonstrated that hindsight was not applied.

- **Annual Improvements to PFRS – Volume 11** – This set of amendments aims to enhance clarity, consistency, and usability of financial reporting by addressing minor inconsistencies and improving the wording of certain standards without altering their fundamental principles. The improvements include:

  - **PFRS 9, Financial Instruments** – Clarifies the treatment of transaction price references and provides guidance on lessee derecognition of lease liabilities.
  - **PFRS 7, Financial Instruments: Disclosures** – Updates disclosure requirements related to gain or loss on derecognition, credit risk disclosures, and terminology alignment with PFRS 13.

- **PFRS 1, First-time Adoption of PFRS** – Enhances guidance on hedge accounting for first-time adopters by aligning terminology with PFRS 9.
- **PFRS 10, Consolidated Financial Statements** – Provides clarification on assessing whether an entity is acting as a de facto agent.
- **PAS 7, Statement of Cash Flows** – Updates outdated terminology by replacing "cost method" with "at cost" to align with current standards.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026.

- **PFRS 18,** ***Presentation and Disclosure in Financial Statements*** (effective from January 1, 2025) – This standard introduces new requirements for the presentation and disclosure of financial statements, replacing certain aspects of PAS 1, Presentation of Financial Statements. It aims to improve transparency and comparability by requiring entities to classify income and expenses into defined categories within the statement of profit or loss. The standard also enhances disclosures related to management-defined performance measures, ensuring consistency in financial reporting.

- **PFRS 19,** ***Subsidiaries without Public Accountability*** (effective from January 1, 2027) – This standard provides a simplified reporting framework for subsidiaries that do not have public accountability but are required to prepare financial statements under PFRS. It allows eligible entities to apply a reduced set of recognition, measurement, and disclosure requirements while maintaining consistency with full PFRS. The objective is to ease the financial reporting burden on subsidiaries while ensuring comparability with parent company financial statements.

Separate Financial Statements and Investment in Subsidiary
These financial statements are prepared as the Company's separate financial statements. The Company also presents consolidated financial statements.

Investment in Subsidiary is accounted for using the cost method in the Company's financial statements. A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The Investment in Subsidiary is carried in the Statements of Financial Position at cost less any impairment in value. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investments and are recognized as a reduction of the cost of the investments.

Investment in Subsidiary is derecognized upon sale or disposal. Any gain or disposal arising from derecognition is recognized in profit or loss. Gain or loss is computed as the difference between proceeds from the disposal and its carrying amount, is recognized in profit or loss at the time of sale or disposal.

Product Classification

The provisions of PFRS 4 provides that insurance contracts are defined as those contracts under which the Company (the insurer) accepts significant insurance risks from another party (the planholders) by agreeing to compensate the planholders if a specified uncertain future event (the insured event) adversely affects the planholder. As a general guideline, the Company defines significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur.
Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

As provided under PFRS 4, this product classification exercise is solely for accounting purposes and does not make the Company an insurance company for statutory and regulatory purposes. The Company as a pre-need company is under the regulation of the Insurance Commission.

For financial options and guarantees which are not closely related to the host insurance contract, bifurcation is required to measure these embedded financial derivatives separately at FVTPL. Bifurcation is not required if the embedded derivative is itself an insurance contract or when the host insurance contract itself is measured at FVTPL.

The surrender options within the life plans issued by the Company are treated as derivative financial instruments, which are closely related to the host contract and therefore not bifurcated subsequently. As such, the Company does not separately measure options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate).

As provided under SEC Interpretative Bulletin No. 1, Series of 2008, the reserves for Life Plans shall be included in the Pre-Need Reserve (PNR) account in the Statements of Financial Position.

Fair Value Measurement

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For units in unit trusts and mutual funds, fair value is determined by reference to the latest bid values computed by fund managers and the net asset value per unit, respectively. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

In accordance with PFRS 7, financial assets and liabilities measured at fair value in the Statements of Financial Position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The different levels have been defined as follows:

- Level 1 - Quoted prices in active markets for identical asset or liability
- Level 2 - Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

- Level 3 - Those with inputs for asset or liability that are not based on observable market date (unobservable inputs)

For all other financial instruments, fair value is determined using valuation technique. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models and other relevant valuation model. For these financial instruments, inputs into models are market observable and are therefore included within Level 2.

Instruments included in Level 3 include those for which there is currently no active market.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 5.

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

Financial Assets
Date of Recognition of Financial Assets
The Company recognizes financial assets in the Statements of Financial Position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on trade date, i.e., the date the Company commits to purchase or sell the asset.

Initial Recognition and Measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI), and Fair Value through Profit or Loss (FVTPL). 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.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are Single Payment of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial Assets at FVTPL
- Financial Assets at FVOCI
  - Debt Securities
  - Equity Securities
- Financial Assets at Amortized Cost

Financial Assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at financial assets at FVTPL, irrespective of the business model. Financial assets at FVTPL are carried in the Statements of Financial Position at fair value with net changes in fair value recognized in the Statements of Comprehensive Income.

Financial Assets at FVOCI
Financial assets at FVOCI include 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 investment securities at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the Statements of Comprehensive Income as changes in fair value of financial assets at FVOCI.

Debt Securities at FVOCI are those that meet both of 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 restatement on foreign currency-denominated debt securities at FVOCI, is reported in the Statements of Income. Interest earned on holding debt securities at debt securities at FVOCI are reported as 'Interest income' 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 Statements of Comprehensive Income is recognized as 'Trading gain/(loss) - net' under 'Investment Income' and Trust Fund Income' in the Statements of Income.

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 Statements of Income as Dividends 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 recorded in OCI. 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 Statements 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.

Financial Assets at Amortized Cost
Financial assets at amortized cost are financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

As of December 31, 2024 and 2023, the Company's financial assets at amortized cost are presented in the Statements of Financial Position, including those included in the investment in trust fund, financial assets and other reserve funds as cash and cash equivalents, and loans and receivables.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. Losses arising from credit losses are recognized in 'Provision for impairment, credit and other losses' in the Statements of Income.

Impairment of Financial Assets
The adoption of PFRS 9 has changed the Company's loss impairment method on financial assets by replacing PAS 39's incurred loss approach with a forward-looking ECL approach which covers all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under PFRS 9.

The ECL allowance is based on the credit losses expected to arise on 12-month duration if there has been no significant increase in credit risk (SICR) of the financial asset since origination. Otherwise if a SICR is observed, then the ECL estimation is extended until the end of the life of the financial asset. The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company recognizes an allowance for 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).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Date of Recognition of Financial Liabilities

The Company recognizes financial liabilities in the Statements of Financial Position when it becomes a party to the contractual provisions of the instrument.

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Gains or losses on liabilities held for trading are recognized in the Statements of Income.

As of December 31, 2024 and 2023, the Company has no financial liabilities classified as FVTPL and derivatives designated as hedging instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Amortized Cost

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective Interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

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

This accounting policy applies primarily to the Company's accrued expenses and other liabilities, (excluding statutory payables and other liabilities to the government), lease liabilities and other obligations that meet the above definition.

Investment Properties

Investment properties are accounted for under the fair value model and are measured initially at acquisition cost.

Property and Equipment
Property and equipment are initially measured at cost and subsequently carried at cost less any accumulated depreciation and any accumulated impairment losses except for land which is measured at revalued amount.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Item	Years
Building	20
Building Improvements	3-5
Furniture and Fixtures	3-5
Office Equipment	3-5
Transportation Equipment	3-5

Leasehold improvements are amortized over the asset's estimated useful lives of 3 to 5 years or applicable lease terms, whichever is shorter

The land is not depreciated. The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

Impairment of Nonfinancial Assets
The Company's property and equipment, investment in subsidiaries, investment properties, and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments in Trust Funds
Trust Fund is a fund set-up from planholders' payments, separate and distinct from the paid-up capital of a registered pre-need company and registered by the Commission to engage in the business of selling pre-need plans.

Measurement, recognition and disclosure for trust fund shall be in accordance with PFRS 9 (Financial Instruments) and PAS 40 (Investment Property) and other applicable standards, depending on the composition of the fund.

The net asset value in the trust fund shall be at least equal to the required Pre-Need Reserves as determined by a qualified actuary using the method prescribed by Pre-Need Rule 31, as amended.

Income generated by the Company's trust funds are included in the "Investments in Trust Funds" account under the assets section of the Statements of Financial Position and credited to "Trust Fund Income". This income is restricted to payments as enumerated/explained in Note 8.

The net unrealized gain/loss in value of trust funds' investments are included in the "Investments in Trust Funds" account and is shown separately as "Revaluation Reserve from Financial Assets" in the stockholders' equity of the Statements of Financial Position and Statements of Changes in Equity.

Liquidity Reserve Fund is the portion of the trust fund set aside by the Trustee to cover the benefits due to planholders during the ensuing year. Pursuant to SRC Section 16, Rule 18, the Company is required to maintain at least twenty percent (20%) liquidity reserve to cover the benefits due to planholders during the ensuing year unless the actuary otherwise determines.

Other Reserves Fund
Other Reserves Fund is comprised of funds for Insurance Premium Reserve.

The Insurance Premium portion of the fund is set aside to cover the payment of insurance premium due after the paying period of the pre-need plan.

Pre-need Reserves
Pre-Need Reserves (PNR) is being set-up for all pre-need benefits guaranteed and payable by the Company as defined in the pre-need plan contracts. Pre-Need Reserves are computed using the modified net premium reserving method based on a prospective approach, and is in accordance with the Guideline and Standards of the Actuarial Society of the Philippines.

The actuarial assumptions used in the valuation of reserves (e.g. interest rate, inflation rate, withdrawal rate, availment rate and contingent benefit costs) are based on the provisions of the Pre-need Code, its implementing rules and subsequent IC memos on its implementation. For 2024 and 2023, the Company used an interest rate assumption of 6%.

The Company no longer used lapse and withdrawal rates in line with the Insurance Commission's requirement. The Company used utilization rates which are based on the Company's experience, imputing margins for conservatism. The Company likewise used inflation rates and contingent benefit costs which are based on its actual experience. No other decrement, other than utilization rate, was used after payment period of the plan. The assumptions were then validated by an independent actuary.

Other Reserves
Other Reserves is comprised of reserves for Insurance Premium. The Insurance Premium Reserve is set aside to cover the payment of insurance premium due after the paying period of the Pre-Need Plan.

This is in accordance with the product pricing viability, as approved by IC.

The actuarial formula and methods for the valuation of the Insurance Premium Reserves is based on generally accepted actuarial principles and practice.

Equity
Capital Stock is determined using the nominal value of shares that have been issued.

Retained Earnings include all current and prior period results of operations as disclosed in the Statements of Comprehensive Income.

Revaluation Reserves comprise gains and losses due to the revaluation of financial assets from trust fund and other funds.

Revaluation Reserve from Property and Equipment pertains to appraisal increments in the market value of a property and equipment.

Remeasurement Reserve from Defined Benefit Plan comprises of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets.

Revenues

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The following recognition criteria must also be met before revenue is recognized:

a. Premium Revenue

Premiums from sale of pre-need plans are recognized as earned when collected.

b. Trust Fund Income

Income generated by the trust fund are included in the "Investments in Trust Funds" account under the assets section of the Statements of Financial Position and credited to trust fund income. This income is restricted to payments as enumerated in Note 8.

c. Interest Income

Interest Income shall be recognized in the Statements of Income as it accrues, taking into account the effective yield of the asset or liability or an applicable floating rate. Income and expense includes the amortization of any discount or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

d. Other Income

This may include service fee, plan administration and other contract fees, surcharge and amendment fees and miscellaneous income. These are recognized as revenue in the period in which the related services are performed.

Cost of Contracts Issued

Cost of Contracts Issued pertains to the increase in PNR as at the current year as compared to the provision for the same period of the previous year; amount of Trust Fund contribution for the year; and, Documentary Stamp Tax and IC registration fees. If there is a decrease in the PNR as a result of new information or new developments, the amount shall be deducted from the cost of contracts issued for the current period. Documentary stamp tax and IC registration fees are expensed as incurred.

Plan Benefits

Plan benefits pertains to benefits availed by the planholders/beneficiaries that include memorial service and termination benefits except benefits paid from insurance coverage.

Value-Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of VAT included.

The net amount of tax recoverable from the taxation authority is included as part of "Other Assets" account in the Statements of Financial Position.

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

(a) Company as Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 10 years.

Short-term Leases
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a renewal or purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

(b) Company as Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the income to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Income Taxes
Current Income 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 income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted as of the financial reporting date.

Deferred Income Tax
Deferred income tax is provided, using the 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 income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises 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 or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at financial reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Employee Benefits
The Company provides post-employment benefits to employees through a defined benefit plan and other employee benefits.

The Company’s defined benefit post-employment plan covers all regular full-time employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

4. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

Critical Management Judgments in Applying Accounting Policies
In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimation, which have the most material effect on the amounts recognized in the financial statements:

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

Operating Leases Commitments – Company as Lessor
The Company entered into commercial property leases on its investment property and determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Rental income recognized from its lease commitment amounted to ₱410,911 and ₱391,343 in 2024 and 2023, respectively, and is included under Other Income – Miscellaneous Income account *(See Note 23).*

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

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

The Company's lease liabilities amounted to ₱133,006,938 and ₱87,256,249 as of December 31, 2024 and 2023, respectively *(see Note 30).*

Estimating Useful Lives of Property and Equipment
The useful lives of property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property and equipment is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

There is no change in estimated useful lives of property and equipment in 2024 and 2023. The net carrying amount of property and equipment are analyzed in Note 12.

Estimation of Useful Lives of Property and Equipment and Right-of-use Assets
The Company estimates the useful lives of right-of-use assets based on the period over which the assets are expected to be available-for-use. The estimated useful lives of right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

The carrying amounts of right-of-use assets are analyzed in Note 30. Based on management's assessment as of December 31, 2024 and 2023, there is no change in estimated useful lives of right-of-use assets during those years.

Impairment of Non-financial Asset
In assessing impairment, Management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate *(see Note 2)*. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on non-financial assets in 2024 and 2023.

Impairment of Financial Assets
The Company determines that the financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. This determination of what is 'significant' and 'prolonged' requires judgment. The Company treats 'significant' generally as 20% or more and 'prolonged' greater than six (6) months. In making this judgment, the Company evaluates, among other factors, the normal volatility in price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, change in technology, and operational and financing cash flows.

Loans and receivables (held in investments in trust funds) amounted to ₱1,138,875,037 and ₱788,340,318 as of December 31, 2024 and 2023, respectively, which consists of interest receivable mostly from risk-free fixed income debt securities *(Note 8)*. The carrying value of financial assets (held in investments in trust funds) amounted to ₱106,053,308,881 and ₱95,848,762,888 as of December 31, 2024 and 2023, respectively *(See Note 5).*

Pre-need Reserves
The Pre-Need Reserves for life plans are determined using an actuarial formula which is based on the Pre-Need Code, its IRR and subsequent guidelines on its implementation.

The assumptions used for the valuation of reserves are consistent with IC rules and regulations. The PNR is determined using the modified net premium method based on the prospective approach and is in accordance with the Guidelines and Standards of the Actuarial Society of the Philippines.

The Company used an interest rate of 6% in computing for the PNR in 2024 and 2023.

Lapsation Rates
In line with the IC's requirement, the Company no longer use lapse and withdrawal rates.

The Company also used utilization rates which are based on the Company's experience, imputing margins for conservatism. The Company likewise used contingent benefit costs which are based on actual experience.

The carrying value of PNR as of December 31, 2024 and 2023 amounted to ₱99,187,919,668 and ₱89,092,309,776, respectively *(see Note 16).*

Sensitivities
The Company likewise determined the sensitivity of the reserves as regards interest rate. It has measured that a 25 basis points (0.25 percent) decrease in interest rate can affect its reserves by approximately 2.719B and 2.560B in 2024 and 2023, respectively.

Insurance Premium Reserves (IPR)
The Company purchases group insurance benefits from an insurance company. Since the payment term of the pre-need plans is shorter than the maximum duration of insurance coverage, the Company sets aside IPR to be able to pay for the insurance premiums due after the paying period.

Some plans still have insurance coverage after the paid up year. Thus, insurance premiums are still paid to the insurance company for the cost of the insurance coverage even after the installment payment period. Similar to PNR, the calculation uses the same actuarial assumptions, and considers the portion of the future installments allotted for insurance expenses.

IPR presented under "Other Reserves" account in the Statements of Financial Position amounted to ₱2,140,948,351 and ₱1,928,406,877 as of December 31, 2024 and 2023, respectively *(see Note 17).*

Fair Values of Financial Assets and Liabilities
The Company caries certain financial assets at fair value, which requires extensive use of accounting estimates and judgments. Fair value determinations for financial assets and liabilities are based generally on listed or quoted market prices. If prices are not readily determinable or if liquidating the position is reasonably expected to affect market prices,

fair value is based on either internal valuation models or management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period of time.

While significant components of fair value measurement were determined using verifiable objectives evidence (i.e, foreign exchange rate, interest rates, volatility rates), the amount of changes in fair value of these financial assets and liabilities would affect profit and loss and other comprehensive income.

The related balances follows:

	2024	2023
Financial Assets	**₱5,144,931,231**	₱4,728,639,877
Other Reserve Fund	**2,709,687,142**	2,371,730,077
Investment in Trust Fund	**109,860,190,377**	95,816,488,688
	₱117,714,808,750	₱102,916,858,642

Valuation of Post-Employment Defined Benefit Obligation
The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and expected salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 29.

5. RISK MANAGEMENT POLICIES

The Company's enterprise–wide risk management framework establishes policies, operating guidelines, risk tolerance limits and practices for risk management. It also provides oversight to the risk management activities within the Company's business segment, ensuring discipline and consistency are applied to the practice of risk management.

Governance Framework
The primary objective to the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of the Company's performance objectives. The Company recognizes the importance of having efficient risk management systems in place in order to meet its financial obligation to its planholders.

The Chief Executive Officer is responsible for establishing and implementing the risk management system to identify, control and manage risks and to continuously report to the BOD on risk management issues.

The Operations Committee, which is composed of senior management, is responsible for the approval of new or modified operations policies and procedures and ensures that all marketing and finance concerns and requirements are addressed by operating departments. All staff members are responsible for taking reasonable and practicable steps to perform their responsibilities and to report through management any incident that may result in unacceptable levels of risk.

Regulatory Framework
The operations of the Company are subject to the regulatory requirements of the Securities and Exchange Commission particularly the Insurance Commission. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., pre-need funds are managed by trustee banks and the nature of investment is that the trust funds can be invested in).

Financial Instruments
The following table shows the carrying values and fair values of financial assets and financial liabilities recognized as of December 31, 2024 and 2023:

Held in Trust Funds

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	**₱2,182,983,537**	**₱2,182,983,537**	₱462,258,679	₱490,705,063
Loans and Receivables				
Dividends Receivable	**25,020,883**	**25,020,883**	26,822,243	26,822,243
Others	**1,113,854,154**	**1,113,854,154**	761,518,083	761,518,075
Financial Assets				
Financial Assets at FVTPL	**32,185,766,730**	**32,541,468,518**	27,900,067,276	26,400,751,073
Financial Assets at FVOCI	**18,977,286,971**	**19,153,898,819**	16,320,078,692	16,349,922,492
Financial Assets at AC	**54,890,255,180**	**54,890,640,968**	51,628,616,920	51,628,616,913
	₱109,375,167,455	**₱109,907,866,879**	₱97,099,361,893	₱95,658,335,859
Financial Liabilities				
Accrued Expenses and Other Liabilities	**₱433,322,460**	**₱433,322,460**	₱227,493,129	₱227,493,129

Not Held in Trust Funds

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	**₱3,551,426**	**₱3,551,426**	₱6,520,251	₱6,520,251
Loans and Receivables				
Dividends Receivable	**587,929**	**587,929**	20,183,197	20,183,197
Others	**40,858,243**	**40,858,243**	18,077,193	18,077,193
Financial Assets				
Financial Assets at FVTPL	**1,276,164,642**	**1,211,514,522**	1,403,189,592	1,258,055,796
Financial Assets at FVOCI	**2,203,040,075**	**2,240,336,105**	1,683,554,730	1,693,479,995
Financial Assets at AC	**1,649,138,176**	**1,649,138,176**	1,733,691,896	1,733,691,896
	₱5,173,340,491	**₱5,145,986,401**	₱4,865,216,859	₱4,730,008,328
Financial Liabilities				
Accrued Expenses and Other Liabilities	**₱1,055,170**	**₱1,055,170**	₱1,368,451	₱1,368,451

Held in Other Reserves Fund

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	**₱61,161,814**	**₱61,161,814**	₱29,412,055	₱29,412,055
Loans and Receivables				
Others	**29,055,233**	**29,055,233**	21,871,969	21,871,969
Financial Assets				
Financial Assets at FVTPL	**540,837,600**	**511,110,307**	501,452,500	474,285,753
Financial Assets at FVOCI	**313,701,500**	**312,953,943**	147,896,461	146,865,796
Financial Assets at AC	**1,799,444,721**	**1,799,444,721**	1,702,649,096	1,702,649,096
	₱2,744,200,868	**₱2,713,726,018**	₱2,403,282,081	₱2,375,084,669
Financial Liabilities				
Accrued Expenses and Other Liabilities	**₱4,038,876**	**₱4,038,876**	₱3,354,592	₱3,354,592

Due to the short-term nature of cash and cash equivalents, short-term investments, loans and receivables, accrued expenses and other liabilities, their carrying values reasonably approximate fair values at year end.

The table below shows the fair value of the Company's financial assets, Investment Properties and Property and Equipment as of December 31:

	2024	2023
Level 1		
Held in Trust Fund		
Financial Assets at FVTPL	**₱32,541,468,518**	₱26,400,751,073
Not Held in Trust Fund		
Financial Assets at FVTPL	**1,211,514,522**	1,258,055,796
Other Reserve Fund		
Financial Assets at FVTPL	**511,110,307**	474,285,753
	₱34,264,093,347	₱28,133,092,622

	2024	2023
Level 2		
Held in Trust Fund		
Financial Assets at AC	**₱54,890,640,968**	₱51,628,616,913
Financial Assets at FVOCI	**19,153,898,819**	16,349,922,492
Not Held in Trust Fund		
Financial Assets at AC	**1,649,138,176**	1,733,691,896
Financial Assets at FVOCI	**2,240,336,105**	1,693,479,995
Other Reserve Fund		
Financial Assets at AC	**1,799,444,721**	1,702,649,096
Financial Assets at FVOCI	**312,953,943**	146,865,796
	₱80,046,412,732	₱73,255,226,188

	2024	2023
Level 3		
Held in Trust Fund		
Investment Properties	**₱385,645,958**	₱385,645,958
Not Held in Trust Fund		
Investment Properties	**80,325,000**	51,342,000
Property and Equipment-Land	**413,250,000**	297,250,000
	₱879,220,958	₱734,237,958

Financial Risk
The main purpose of the Company's financial instruments is to fund its operations and meet the financial obligations to its planholders. The company is exposed to financial risk through its financial assets, financial liabilities and pre-need liabilities. The main risks arising from the Company's financial activities are liquidity risk and investment risks. The Board of Directors reviews and agrees on certain policies for managing some of these risks as follows:

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company manages the level of credit risk it accepts through a comprehensive group credit risk policy by setting out the assessment and determination of what constitutes credit risk for the Company; providing guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and reviewing credit risk policy for pertinence and changing environment.

In respect of investment securities, the Company makes use of institutions with high credit worthiness. The Company sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long-term ratings.

Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. Deductions from agents' commissions and other cash incentives are made to establish bond reserves. The credit risk in respect to customer balances, incurred on nonpayment of premiums or contributions will only persist during the grace period specified in the plan contract on the expiry of which the policy is either paid up or terminated.

The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties and industry segments.

As of December 31, 2024, and 2023, the analysis of debt instruments financial assets follows:

	2024			
	Neither past due nor impaired	**Past due but not impaired**	**Impaired**	**Total**
Cash & Cash Equivalents	**₱1,694,156,442**	**₱-**	**₱-**	**₱1,694,156,442**
Financial Assets	**3,934,471,879**	**-**	**-**	**3,934,471,879**
Other Reserve Fund	**2,202,615,711**	**-**	**-**	**2,202,615,711**
Investment in Trust Fund	**77,366,398,361**	**-**	**-**	**77,366,398,361**
Other Assets (Rental Deposits)	**9,613,055**	**-**	**-**	**9,613,055**
	₱85,207,255,448	**₱-**	**₱-**	**₱85,207,255,448**

	2023			
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash & Cash Equivalents	₱1,727,297,616	₱-	₱-	₱1,727,297,616
Financial Assets	3,471,952,532	-	-	3,471,952,532
Other Reserve Fund	1,900,798,916	-	-	1,900,798,916
Investment in Trust Fund	69,257,584,786	-	-	69,257,584,786
Other Assets (Rental Deposits)	8,194,996	-	-	8,194,996
	₱76,365,828,846	₱-	₱-	₱76,365,828,846

Liquidity Risk
Liquidity or funding risk is the risk associated with the difficulty of selling financial assets in a timely manner at their fair value to meet obligations.

The Company manages liquidity by setting up trust funds, separate and distinct from its paid-up capital established with trustees under trust agreement approved by the Insurance Commission (IC), to pay for the planholders' benefits as provided in the Pre-need plan. The Company also specifies the minimum portion of funds to meet the portfolio mix requirement imposed by the IC with an objective to meet the short-term and long-term financial commitments.

The maturity profile of the Company's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted payments follows:

	2024			
	Less than 3 months	**3 to 6 months**	**Over 6 months**	**Total**
Accounts Payable and Accrued Expenses				
Accounts Payable	**₱40,861,048**	**₱-**	**₱-**	**₱40,861,048**
Accrued Expenses	**237,762,987**	**-**	**-**	**237,762,987**
Insurance Premium Payable	**91,092,396**	**-**	**-**	**91,092,396**
Lease Liabilities	**4,855,625**	**10,925,155**	**117,226,158**	**133,006,938**
Other Liabilities				
Counselors Bond Reserve	**-**	**-**	**331,228,862**	**331,228,862**
	₱374,572,056	**₱10,925,155**	**₱448,455,020**	**₱833,952,231**

	2023			
	Less than 3 months	3 to 6 months	Over 6 months	Total
Accounts Payable and Accrued Expenses				
Accounts Payable	₱34,493,676	₱-	₱-	₱34,493,676
Accrued Expenses	262,371,860	-	-	262,371,860
Insurance Premium Payable	91,976,970	-	-	91,976,970
Lease Liabilities	8,294,285	13,823,807	65,138,157	87,256,249
Other Liabilities				
Counselors Bond Reserve	-	-	310,426,537	310,426,537
	₱397,136,791	₱13,823,807	₱375,564,694	₱786,525,292

Market and Investment Risk
Market and investment risks are the risks arising from the possible decline in the value of acquired assets and investments in equities and debt instruments.

The following policies and procedures are in the place to mitigate the Company's exposure to market risk:

- The trustee bank take positions in debt and other fixed income securities. The trustee bank's risk management activities are aimed at optimizing interest income, managing duration and portfolio positions and facilitate strategy formulation.
- A market risk policy setting out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to top management. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Stipulated diversification benchmark by type of instruments

Cash and cash equivalents and Financial Assets – equity securities are used for the Company's liquidity requirements. Please refer to the terms and maturity profile of these financial assets under the maturity profile section.

Fair Value Interest Rate Risk
Fair value interest risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate investments and receivables in particular are exposed to such risk.

To the extent possible, the Company established matching policy for each portfolio of assets and associated liabilities to keep potential losses within acceptable limits. Thus, the exposure to interest rate risk is minimal.

The Company's market risk policy requires it to manage such risk by setting and monitoring objectives and constraints on investments; diversification plan; and careful and planned use of financial instruments in order to maximize returns.

The following table shows the information relating to the financial assets that are exposed to fair value interest rate risk and presented by maturity profile:

As at December 31, 2024

Held in Trust Funds

	Range of Interest Rates	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Cash and Cash Equivalents	**0.15-6.38%**	**₱2,182,983,537**	**₱-**	**₱-**	**₱-**	**₱2,182,983,537**
Financial Assets:						
Financial Assets at FVOCI	**2.63-9.25%**	**754,233,359**	**2,855,732,433**	**2,126,133,476**	**13,417,799,551**	**19,153,898,819**
Financial Assets at AC	**2.63-18.25%**	**2,587,436,312**	**15,095,606,199**	**12,543,774,657**	**24,663,823,800**	**54,890,640,968**
Loans and Receivables		**1,138,875,037**	**-**	**-**	**-**	**1,138,875,037**
		₱6,663,528,245	**₱17,951,338,632**	**₱14,669,908,133**	**₱38,081,623,351**	**₱77,366,398,361**

Not Held in Trust Funds

	Range of Interest Rates	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Cash and Cash Equivalents	**-**	**₱3,551,426**	**₱-**	**₱-**	**₱-**	**₱3,551,426**
Financial Assets:						
Financial Assets at FVOCI	**2.63-8.00%**	**41,184,069**	**116,219,420**	**615,828,566**	**1,467,104,050**	**2,240,336,105**
Financial Assets at AC	**-**	**32,872,990**	**453,857,181**	**478,147,360**	**684,260,645**	**1,649,138,176**
Loans and Receivables		**41,446,172**	**-**	**-**	**-**	**41,446,172**
		₱119,054,657	**₱570,076,601**	**₱1,093,975,926**	**₱2,151,364,695**	**₱3,934,471,879**

Held in Other Reserves Fund

	Range of Interest Rates	**Up to a year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Cash and Cash Equivalents	**0.06-6.25%**	**₱61,161,814**	**₱-**	**₱-**	**₱-**	**₱61,161,814**
Financial Assets:						
Financial Assets at FVOCI	**2.63-8.35%**	**11,649,835**	**61,525,220**	**91,847,951**	**147,930,937**	**312,953,943**
Financial Assets at AC	**3.30-9.25%**	**198,022,316**	**454,005,789**	**199,432,734**	**947,983,882**	**1,799,444,721**
Loans and Receivables		**29,055,233**	**-**	**-**	**-**	**29,055,233**
		₱299,889,198	**₱515,531,009**	**₱291,280,685**	**₱1,095,914,819**	**₱2,202,615,711**

As at December 31, 2023

Held in Trust Funds

	Range of Interest Rates	Up to a year	1-3 years	3-5 years	Over 5 years	Total
Cash and Cash Equivalents	0.06-6.35%	₱490,705,063	₱-	₱-	₱-	₱490,705,063
Financial Assets:						
Financial Assets at FVOCI	2.38-9.69%	4,499,620,039	1,557,326,270	1,411,847,127	8,881,129,056	16,349,922,492
Financial Assets at AC	2.00-14.60%	4,841,951,111	10,561,227,999	15,070,993,695	21,154,444,108	51,628,616,913
Loans and Receivables		788,340,318	-	-	-	788,340,318
		₱10,620,616,531	₱12,118,554,269	₱16,482,840,822	₱30,035,573,164	₱69,257,584,786

Not Held in Trust Funds

	Range of Interest Rates	Up to a year	1-3 years	3-5 years	Over 5 years	Total
Cash and Cash Equivalents	0.06-4.25%	₱6,520,250	₱-	₱-	₱-	₱6,520,250
Financial Assets:						
Financial Assets at FVOCI	2.63-8.00%	300,588,929	57,428,559	52,746,532	33,582,203	444,346,223
Financial Assets at AC	2.00-9.25%	223,696,725	312,201,585	474,633,501	723,160,083	1,733,691,894
Loans and Receivables		19,781,178	-	-	-	19,781,178
		₱550,587,082	₱369,630,144	₱527,380,033	₱756,742,286	₱2,204,339,545

Held in Other Reserves Fund

	Range of Interest Rates	Up to a year	1-3 years	3-5 years	Over 5 years	Total
Cash and Cash Equivalents	0.02-6.35%	₱29,412,055	₱-	₱-	₱-	₱ 29,412,055
Financial Assets:						
Financial Assets at FVOCI	3.28-8.35%	52,549,218	20,372,088	35,776,422	38,168,069	146,865,797
Financial Assets at AC	2.23-9.25%	141,178,537	364,771,332	403,365,826	793,333,399	1,702,649,094
Loans and Receivables		21,871,969	-	-	-	21,871,969
		₱245,011,779	₱385,143,420	₱439,142,248	₱831,501,468	₱1,900,798,915

The other financial instruments of the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The analysis below is performed for reasonably possible movement of the interest rates with all other variables held constant, showing the impact on equity.

Change in Yield Rate	**Impact on Equity Increase (Decrease)**	
	2024	2023
+1%	**66,819,692**	33,481,216
-1%	**(66,819,692)**	(33,481,216)

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Revolving Funds	**₱4,586,300**	₱3,135,261
Cash in Banks	**1,289,570,142**	1,724,162,355
Short-Term Deposits	**400,000,000**	-
	₱1,694,156,442	₱1,727,297,616

Cash in banks earns interest at the prevailing bank deposits rates.

Short-term deposits are made for varying periods up to three (3) months or less, depending on the immediate cash requirements of the Company, and earn interest at the prevailing short-term rates that ranged from 0.15% to 6.38% and 0.06% to 6.35% in 2024 and 2023, respectively.

Interest income earned on cash in bank and short-term deposits amounted to ₱33,870,654 and ₱19,649,708 in 2024 and 2023, respectively.

7. FINANCIAL ASSETS

The Company's financial assets are under the Investment Management Account (IMA) and Company's Managed Fund with fixed maturity terms with balance amounting to ₱5,144,931,232 and ₱4,728,639,877 as of December 31, 2024 and 2023, respectively.

	2024	2023
Cash and Cash Equivalents	**₱3,551,426**	₱6,520,251
Loans and Receivables		
Dividends Receivable	**587,929**	20,183,197
Others	**40,858,243**	18,077,193
Financial Assets		
Financial Assets at FVTPL	**1,211,514,522**	1,258,055,796
Financial Assets at FVOCI	**2,240,336,105**	1,693,479,995
Financial Assets at AC	**1,649,138,176**	1,733,691,896
	₱5,145,986,401	₱4,730,008,328
Less: Financial Liabilities		
Accrued Expenses and Other Liabilities	**1,055,170**	1,368,451
	₱5,144,931,231	₱4,728,639,877

The roll forward of Financial Assets not held in trust fund follows:

	2024	2023
Balance at January 1	**₱4,728,639,877**	₱4,679,917,254
Additions (Deductions)	**83,412,149**	(136,660,885)
Gain/(Loss) on Change in Fair Value	**25,920,256**	27,086,120
Net Income/(Loss) - (net of Final Tax)	**306,958,949**	158,297,388
Balance at December 31	**5,144,931,231**	₱4,728,639,877

The following table shows the roll forward analysis of Revaluation Reserve from Financial Assets not held in trust fund:

	2024	2023
Balance at January 1	**₱(2,541,734)**	₱(29,627,854)
Changes in fair value of Financial Asset during the year	**25,920,257**	27,086,120
Transfer to Profit or Loss	**-**	-
Balance at December 31	**₱23,378,523**	₱(2,541,734)

8. INVESTMENTS IN TRUST FUNDS

The Company has trust funds which are being administered by eight (8) local banks under trust agreements for the fulfillment of the Company's obligations under its pre-need plan agreements. In compliance with Chapter VIII, Section 30 of the Pre-need Code and in accordance with the terms of the trust agreements, no withdrawal shall be made from the trust funds except to: (a) pay all costs, expenses and charges incurred in connection with the administration, preservation, maintenance and protection of the fund or any part thereof, needed for the payment of plan benefits; (b) settle, compromise or abandon all claims and demands in favor of or against the fund, with the prior written consent of the Company; (c) pay/settle termination value payable to planholders and (d) contributions to the trust funds of cancelled plans.

As mandated by the Insurance Commission, an actuarial valuation of the adequacy of the trust funds shall be submitted to the IC within one hundred twenty (120) days after the end of every fiscal year of the Company. Any discrepancy in the funds shall be funded within thirty (30) days after receipt of notice of deficiency from the Insurance Commission.

Annual actuarial valuations of the pre-need contractual commitments are based on the computation prescribed by the Commission. The Company had not experienced any deficiency ever since the PNUCA was formulated.

Based on the actuarial certification issued by an independent accredited actuary, the required pre-need reserve or required balance of the trust funds as of December 31, 2024 and 2023 is ₱99,187,919,668 and ₱89,092,309,776, respectively. The Company has trust funds balance of ₱109,860,190,377 and ₱95,816,488,688 in 2024 and 2023, respectively, to back up its PNR. Total contributions to the trust funds amounted to ₱11,471,809,065 and ₱10,959,130,748 in 2024 and 2023, respectively *(see Note 24).*

The details of the Company's investment in trust funds per trust fund statements from the trustee banks as of December 31, 2024 and 2023 are as follows.

	2024	2023
ASSETS		
Cash and Cash Equivalents	**₱2,182,983,537**	₱490,705,063
Financial Assets		
Financial Asset at FVTPL	**32,541,468,518**	26,400,751,073
Financial Asset at FVOCI	**19,153,898,819**	16,349,922,492
Financial Assets at AC	**54,890,640,968**	51,628,616,913
Receivables	**1,138,875,037**	788,340,318
	₱109,907,866,879	₱95,658,335,859
Investment Properties	**385,645,958**	385,645,958
	₱110,293,512,837	₱96,043,981,817
LESS: LIABILITIES	**433,322,460**	227,493,129
	₱109,860,190,377	₱95,816,488,688

	2024	2023
EQUITY		
Fund Balance, Beginning of Year	**₱95,913,113,597**	₱86,008,302,082
Contributions *(Note 24)*	**11,471,809,065**	10,959,130,748
Withdrawals	**(3,789,637,303)**	(4,170,403,461)
Trust Fund Income	**6,243,399,049**	3,116,084,228
Fund Balance, End of Year	**₱109,838,684,408**	₱95,913,113,597
Revaluation Reserve from Financial Assets	**21,505,969**	(96,624,909)
	₱109,860,190,377	₱95,816,488,688

Financial Assets Held in Trust Funds
The assets included in each of the categories above are detailed below:

a) Cash and Cash Equivalents

The breakdown of cash and cash equivalents follows:

	2024	2023
Cash in Bank	**35,479,542**	₱223,421,783
Special Savings Deposits	**145,500,000**	48,400,000
Time Deposits	**2,002,003,995**	218,883,280
Demand Deposits		-
	2,182,983,537	₱490,705,063

Cash and cash equivalents earn interest ranging from 0.15% to 6.38% and 0.06% to 6.35% in 2024 and 2023, respectively.

Interest income earned on cash and cash equivalents amounted to ₱33,380,465 and ₱20,031,813 in 2024 and 2023, respectively.

b) Financial Assets

Financial Assets at FVTPL

	2024	2023
Equity Securities –Listed Shares	**29,658,946,399**	₱ 24,943,781,280
Units in Mutual Funds and UITF	**2,882,522,119**	1,456,969,793
	32,541,468,518	₱26,400,751,073

Financial Assets at FVOCI

	2024	2023
Debt Securities	**19,152,861,054**	₱ 16,353,642,820
Less: Allowance for Credit Losses	**1,037,765**	3,720,328
	19,153,898,819	₱16,349,922,492

The net unrealized gains (losses) in respect of financial assets transferred to other comprehensive income amounted to ₱118,130,878 and ₱333,725,654 as of December 31, 2024 and 2023, respectively.

Investment in government debt securities mainly represent fixed rate government treasury bonds with annual interest rates ranging from 2.63% to 18.25% and 2.00% to 14.60% in 2024 and 2023, respectively.

c) Receivables

This account consists only of interest receivables mostly from risk-free government securities amounting to ₱1,138,875,038 and ₱788,340,326 as of December 31, 2024 and 2023, respectively.

d) Investment Properties

	Land	Building	Total
Cost			
Balance at January 1, 2024	₱161,104,896	₱-	₱161,104,896
Addition	-	-	-
Balance At December 31, 2024	161,104,896	-	161,104,896
Valuation Adjustments			
Balance at January 1, 2024	224,541,062	-	224,541,062
Adjustment	-	-	-
Balance At December 31, 2024	224,541,062	-	224,541,062
Carrying Value	**₱385,645,958**	**₱-**	**₱385,645,958**

The recording of the revaluation gain/loss was in accordance with the standard/limit set by the Commission (Pre-need Code (RA 9829) Section 34) under Investment of the Trust Fund letter (c) Real Estate which states that, "in case the appraisal would result in an increase of the value, only sixty percent (60%) of the appraisal increase is allowed to be recorded but in case of decline in value, the entire decline shall be recorded."

Pursuant to Sections 36 of Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines, the IC issued Guidelines to Pre-need Corporations and entities authorized to engage in trust operations to govern the management and administration of Trust funds established for the payment of pre-need benefits under plan contracts, and to provide an updated and more flexible choice of investments for the trust fund, subject to the rules and regulations that would ensure prudent investment management and protection of the interest of the planholders.

The more significant provisions relating to Investments in Trust Funds follow:

i Investments in trust funds shall be limited to fixed income instruments, mutual funds, equities and real estate;

ii Fixed income instruments shall include:

  i Government securities which shall not be less than 10% of the trust equity;

  ii Savings/time deposits and common trust fund with a commercial bank with satisfactory examination rating as of the last examination by the Bangko Sentral ng Pilipinas:

  iii Commercial papers duly registered with the SEC with a minimum credit rating of "1" for short-term and "AAA" for long-term commercial papers, based on the rating scale of an accredited Philippine rating agency or its equivalent at the time of investment. The maximum exposure of long-term commercial papers shall not exceed 15% of the total trust fund equity, while exposure to each commercial paper issuer shall not exceed 10% of the allocated amount;

iv Direct loans to corporations that are financially stable, profitable for the last three (3) years and have a good track of paying previous loans from the trust fund. These loans shall be fully secured by a real estate mortgage of up to 60% of the appraised value of the property, at the time the loan was granted. The maximum amount to be allocated for direct loans shall not exceed 5% of the total trust fund, while the amount to be granted to each corporate borrower shall not exceed 10% of the amount allocated and the maximum term shall be three (3) years;

Investment in equities shall be limited to stocks listed in the main board of the Philippine Stock Exchange. These shall include stocks issued by companies that are financially stable, actively traded, possess good track record of growth and have declared dividends for the past three (3) years. The amount allocated for this purpose shall not exceed 30% of the total trust fund while the investment in any particular issue shall not exceed 10% of the allocated amount.

iii Real estate shall include properties located in strategic areas of cities and first-class municipalities and shall be appraised every three (3) years by a licensed real estate appraiser duly accredited by the Philippine Association of Real Estate Appraisers, to reflect the increase or decrease in the value of the property. In case of appraisal, only 60% of the appraisal increase is allowed to be recorded in the books of the trust fund but in case of decline in value, the entire value of the decline is recorded. The total recorded value of the real estate investment shall not exceed 15% of the total trust fund equity.

iv Not less than 15% of the net value of the trust fund assets per type of plan shall be set aside as a liquidity reserve to cover the benefits due to planholders; and

v The Commission may, at its discretion, demand for the conversion to cash or to other near cash assets of the investments made by the trustee to protect the interest of the planholders.

The Company has consistently complied with the Insurance Commission's (IC) implementing guidelines of the New Pre-Need Code on Investments in Trust Funds.

9. OTHER RESERVES FUND

Other Reserves Fund pertains to Insurance Premium Fund which consists of:

	2024	2023
Cash in Banks	**₱61,161,814**	₱29,412,055
Financial Assets	**2,623,508,971**	2,323,800,645
Loans and Other Receivables	**29,055,233**	21,871,969
	₱2,713,726,018	₱2,375,084,669
Less: Liabilities	**4,038,876**	3,354,592
	₱2,709,687,142	₱2,371,730,077

The roll forward of account follows:

	2024	2023
Balance at January 1	**₱2,371,730,077**	₱2,074,624,639
Additional Contribution	**240,000,000**	240,000,000
	₱2,611,730,077	₱2,314,624,639
Changes in fair value of Financial Assets during the year	**216,530**	3,018,240
Net Income (net of Final Tax)	**97,740,535**	54,087,198
Balance at December 31	**₱2,709,687,142**	₱2,371,730,077

Cash in Banks

Cash in Banks represent demand, savings and time deposits with interest rates ranging from 0.06% to 6.25% and 0.02% to 6.35% per annum in 2024 and 2023, respectively.

Financial Assets

Financial Assets consist of:

	2024	2023
Financial Asset at FVTPL	**₱511,110,307**	₱474,285,753
Financial Asset at FVOCI	**312,953,943**	146,865,796
Financial Asset at AC	**1,799,444,721**	1,702,649,096
	₱2,623,508,971	₱2,323,800,645

The following table shows the roll forward analysis of "Revaluation Reserves from Financial Assets" on other reserves Fund:

	2024	2023
Balance at January 1	**₱(4,739,937)**	₱(7,758,177)
Gain/ (Loss) on Change in Fair Value	**216,530**	3,018,240
Balance at December 31	**₱(4,523,407)**	₱(4,739,937)

Loans and Receivables

Loans and receivables pertain to investment in unquoted debt securities classified as loans, accrued interest income and dividends receivables.

10. PREPAYMENTS AND OFFICE SUPPLIES

This account consists of:

	2024	2023
Office Supplies	**₱7,772,256**	₱6,385,195
Prepayments on Rental & Other Assets	**8,595,061**	8,312,568
	₱16,367,317	₱14,697,763

11. INVESTMENTS IN SUBSIDIARIES

The details of the account are as follows as at December 31, 2024 and 2023:

	Percentage of Ownership	Acquisition Cost December 31, 2023	Acquisition Cost Additions	Acquisition Cost **December 31, 2024**	**2024 Carrying Value**
Spring of Life Memorial Park Dev't. Corp.	99.99%	₱324,975,700	₱362,471,200	**₱687,446,900**	**₱687,446,900**
New Frontier Memorial Chapel Dev't. Corp.	99.99%	2,599,468,100	-	**2,599,468,100**	**2,599,468,100**
		₱2,924,443,800	₱362,471,200	**₱3,286,915,000**	**₱3,286,915,000**

	Percentage of Ownership	Acquisition Cost December 31, 2022	Acquisition Cost Additions	Acquisition Cost December 31, 2023	2023 Carrying Value
Spring of Life Memorial Park Dev't. Corp.	99.99%	₱324,975,700	₱-	₱324,975,700	₱324,975,700
New Frontier Memorial Chapel Dev't. Corp.	99.99%	2,099,643,600	499,824,500	2,599,468,100	2,599,468,100
		₱2,424,619,300	₱499,824,500	₱2,924,443,800	₱2,924,443,800

On December 8, 2015, the Company invested 99.99% equity interest in Spring of Life Memorial Park Dev't. Corp. (SLMPDC) and New Frontier Memorial Chapel Dev't. Corp. (NFMCDC), both incorporated in the Philippines. Spring of Life Memorial Park Dev't Corp. primarily engaged in operating, managing and developing memorial parks, cemeteries and columbaria, while New Frontier Memorial Chapel Dev't. Corp. is on operating and maintaining real estate for funeral parlors purposes, funeral chapels, mortuaries, and crematoria.

The Company subscribed and paid additional shares of SLMPDC and NFMCDC amounting to ₱362,471,200 and ₱499,824,500 in 2024 and 2023, respectively.

The summarized financial statements of the Subsidiaries are provided below:

	2024		2023	
	SLMPDC	**NFMCDC**	SLMPDC	NFMCDC
Statements of Financial Position				
Total Assets	**₱684,133,508**	**₱2,868,785,913**	₱324,856,614	₱2,867,301,083
Total Liabilities	**53,013**	**1,544,377**	-	2,480,259
Total Equity	**684,080,495**	**2,867,241,536**	324,856,614	2,864,820,824
Statements of Comprehensive Income				
Revenue	**2,421,720**	**16,738,603**	463,657	153,446,366
Expenses	**(7,443,826)**	**(14,172,936)**	125,697	13,876,225
Net Income	**(3,276,119)**	**2,420,712**	369,384	141,039,763

12. PROPERTY AND EQUIPMENT, NET

The roll forward analysis of the property and equipment carried at cost, except for land which is measured at revalued amount is as follows:

2024	**Land**	**Building**	**Furniture & Fixtures**	**Office Equipment**	**Transportation Equipment**	**Leasehold and Building Improvement**	**Total**
Cost							
January 1	**₱297,250,000**	**₱306,241,264**	**₱28,874,327**	**₱175,840,753**	**₱109,005,622**	**₱2,438,769**	**₱919,650,735**
Acquisitions	**-**	**-**	**1,757,270**	**22,250,535**	**8,233,102**	**3,645,225**	**35,886,132**
Revaluation Reserve	**116,000,000**	**-**	**-**	**-**	**-**	**-**	**116,000,000**
December 31	**₱413,250,000**	**₱306,241,264**	**₱30,631,597**	**₱198,091,288**	**₱117,238,724**	**₱6,083,994**	**₱1,071,536,867**
Accumulated Depreciation and Amortization							
January 1	**₱-**	**₱84,143,811**	**₱27,706,062**	**₱141,066,739**	**₱63,975,625**	**₱929,832**	**₱317,822,069**
Depreciation	**-**	**15,312,063**	**872,240**	**24,833,519**	**14,332,793**	**1,212,605**	**56,563,220**
December 31	**₱-**	**₱99,455,874**	**₱28,578,302**	**₱165,900,258**	**₱78,308,418**	**₱2,142,437**	**₱374,385,289**
Net Book Value At December 31, 2024	**₱413,250,000**	**₱206,785,390**	**₱2,053,295**	**₱32,191,030**	**₱38,930,306**	**₱3,941,557**	**₱697,151,578**

2023	Land	Building	Furniture & Fixtures	Office Equipment	Transportation Equipment	Leasehold and Building Improvement	Total
Cost							
January 1	₱297,250,000	₱306,241,264	₱28,099,132	₱154,479,206	₱65,628,836	₱886,719	₱852,585,157
Acquisitions	-	-	775,195	21,361,547	43,376,786	1,552,050	67,065,578
Disposals / Write-off	-	-	-	-	-	-	-
December 31	₱297,250,000	₱306,241,264	₱28,874,327	₱175,840,753	₱109,005,622	₱2,438,769	₱919,650,735
Accumulated Depreciation and Amortization							
January 1	₱-	₱68,831,748	₱27,166,257	₱120,863,823	₱54,865,510	₱886,719	₱272,614,057
Depreciation	-	15,312,063	539,805	20,202,916	9,110,115	43,113	45,208,012
Disposals	-	-	-	-	-	-	-
December 31	₱-	₱84,143,811	₱27,706,062	₱141,066,739	₱63,975,625	₱929,832	₱317,822,069
Net Book Value At December 31, 2023	₱297,250,000	₱222,097,453	₱1,168,265	₱34,774,014	₱45,029,997	₱1,508,937	₱601,828,666

Depreciation and amortization expense charged to general and administrative expense amounted to ₱56,563,220 and ₱45,208,012 in 2024 and 2023, respectively.

Movement of land is as follows:

	2024	**2023**
Cost		
Balance at January 1	**₱160,714,286**	₱160,714,286
Addition	**-**	-
Balance at December 31	**160,714,286**	160,714,286
Valuation Adjustments		
Balance at January 1	**136,535,714**	136,535,714
Adjustment	**116,000,000**	-
Balance at December 31	**252,535,714**	136,535,714
Carrying Value	**₱413,250,000**	₱297,250,000

Management has reviewed the carrying values of property and equipment as of December 31, 2024 for any indicators of impairment. Based on its evaluation, there were no indications that the assets are impaired.

13. INVESTMENT PROPERTIES

Investment Properties are composed of the following:

	TCT No.	Acquisition Cost	Amount at Fair Value
Marilao, Bulacan	T-481221	₱18,100,000	**₱70,613,000**
San Pascual, Batangas	T-83919	1,279,000	**9,712,000**
Total		₱19,379,000	**₱80,325,000**

Movement of Investment Properties is as follows:

	2024	2023
Balance at January 1	**₱51,342,000**	₱51,342,000
Additions/Disposal	**-**	-
Gain on Change in Fair Value	**28,983,000**	-
Balance at December 31	**₱80,325,000**	₱51,342,000

The fair value of investment properties for the year ended December 31, 2024 is based from the latest appraisal report by an independent appraiser dated April 3 and 4, 2024.

Rental income earned from investment properties amounted to ₱410,911 and ₱391,343 in 2024 and 2023, and is included under Other Income – Miscellaneous Income account *(See Note 23)*.

Real property taxes paid on the investment properties amounted to ₱16,731 in 2024 and ₱13,395 in 2023 are included under general and administrative expenses - taxes and licenses.

14. OTHER ASSETS

This account consists of:

	2024	2023
Rental Deposit	**₱9,613,055**	₱8,194,996

Rental Deposit pertains to security payment for the lease on the Company's branch offices.

15. ACCRUED EXPENSES AND OTHER LIABILITIES

This account consists of:

	2024	2023
Accounts Payable and Accrued Expenses	**₱278,624,036**	₱296,865,534
Taxes Payable	**382,498,082**	406,150,010
Other Current Liabilities	**96,496,992**	96,721,770
	₱757,619,110	₱799,737,314

Accounts Payable represent liabilities of the Company on the conduct of trade and business, mainly for purchase made on credit. These are non-interest-bearing and are generally settled in less than sixty (60) days' term.

Accrued Expenses are noninterest bearing and are generally settled upon receipt of actual billings. Withholding taxes payable and output vat are generally settled in less than thirty (30) days' term.

Taxes Payables includes taxes withheld from compensation of employees and other taxes including Output Value Added Tax (VAT).

Other Current Liabilities comprise mainly of insurance premium payable and SSS/PHIC/HDMF payables which are generally settled in less than thirty (30) days' term.

16. PRE-NEED RESERVES (PNR)

Under Pre-Need Rule 31, as amended, the requirements of PFRS 4 shall be complied with in determining the reserves for life plans. The Modified Net Premium Reserving Method was used in determining the pre-need reserves. The reserves were determined using a discount rate of 6% per annum in 2024 and 2023.

Details are as follows:

Traditional Life Plans	**2024**	2023
In-Force Plans	**₱96,982,379,260**	₱87,045,483,579
Lapsed	**2,205,540,408**	2,046,826,197
Total	**₱99,187,919,668**	₱89,092,309,776

The carrying value of PNR as of December 31, 2024 and 2023 amounted to ₱99,187,919,668 and ₱89,092,309,776, respectively, which resulted to an increase in PNR of ₱10,095,609,892.

Increase in PNR for the years ended December 31 consists of the following:

Traditional Life Plans	**2024**	2023
In Force Plans	**₱9,936,895,682**	₱8,846,948,065
Lapsed	**158,714,210**	219,335,157
Total	**₱10,095,609,892**	₱9,066,283,222

Plan Benefit payments for the years ended December 31 are broken down as follows:

	2024	2023
Mortuary Cost	**₱1,882,776,350**	₱1,685,332,300
Plan Termination Benefits	**1,906,860,953**	2,485,071,161
Total	**₱3,789,637,303**	₱4,170,403,461

The Company no longer used lapse and withdrawal rates in line with the Insurance Commission's requirement. No other decrement, other than utilization rate, was used after payment period of the plan.

Insurance Premium Reserves (IPR) was likewise set-up for the cost of purchasing the insurance benefits after payment period. The same discount rate of 6% was likewise used to arrive at the IPR *(see Note 3,17).*

The actuarial formula, methods and assumptions used for the valuation are based on generally accepted actuarial principles and practice.

17. OTHER RESERVES

This account consists of Insurance Premium Reserve amounting to ₱2,140,948,351 and ₱1,928,406,877 as of December 31, 2024 and 2023, respectively.

The Insurance Premium Reserve represents reserve for fully paid plans that are still covered by cash assistance benefit.

Increase in Insurance Premium Reserve amounted to ₱212,541,474 and ₱233,604,184 as of December 31, 2024 and 2023, respectively.

18. OTHER LIABILITIES

This pertains to Counselors' bond reserves which represent the aggregate amount of deductions from agents' commissions to accumulate a reserve. Upon separation of an agent from the Company, his accountability will be charged to this reserve. The balance as of December 31, 2024 and 2023 amounted to ₱331,228,862 and ₱310,426,537, respectively.

Movement of Other Liabilities is as follows:

	2024	2023
Balance at January 1	**₱310,426,537**	₱284,733,849
Additions	**42,512,500**	44,709,500
Payments	**(21,710,175)**	(19,016,812)
Balance at December 31	**₱331,228,862**	₱310,426,537

19. EQUITY

Capital Stock

	Number of Shares		**Amount**	
	2024	2023	**2024**	2023
Authorized Capital Stock - ₱100 par value	**30,000,000**	30,000,000	**₱3,000,000,000**	₱3,000,000,000
Outstanding Shares				
Outstanding Shares at January 1	**13,600,000**	13,600,000	**₱1,360,000,000**	₱1,360,000,000
Issuance/Reacquisition	**-**	-	**-**	-
Outstanding Shares, December 31	**13,600,000**	13,600,000	**₱1,360,000,000**	₱1,360,000,000

As of December 31, 2024, the Company has nine (9) stockholders owning 100 or more shares each of the Company's capital stock.

Retained Earnings

The cumulative balance of retained earnings as of December 31, 2024 and 2023 are as follows:

	2024	2023
Retained Earnings – Trust Fund	**₱ 16,310,660,253**	₱12,677,204,344
Retained Earnings	**3,235,197,670**	2,144,869,411
	₱ 19,545,857,923	₱14,822,073,755

At a meeting of the Board held on May 20, 2024, the Board approved the distribution of a cash dividend to stockholders of record as of May 20, 2024 from the unrestricted retained earnings available for cash dividends amounting to ₱816,000,000. The Company paid the dividends on July 24, 2024 and August 5, 2024.

20. PREMIUM REVENUE

This account consists of:

	2024	2023
Realized Gross Income	**₱10,133,796,199**	₱10,729,359,218
Trust Fund Contribution (VAT Exempt)	**11,427,676,286**	11,026,116,642
	₱21,561,472,485	₱21,755,475,860

21. TRUST FUND INCOME

This account consists of:

	2024	2023
Income on:		
Government Securities/Other Securities and Debt Instruments	**₱3,700,598,224**	₱2,731,128,144
Cash and Cash Equivalents	**63,157,758**	20,031,813
Dividend Income	**1,372,225,155**	1,247,685,826
Realized Equity Securities Gains(Losses)	**1,695,782,901**	(396,558,422)
Trust Fees and Other Investment Expenses	**(588,364,989)**	(486,203,133)
	₱6,243,399,049	₱3,116,084,228

Trust Fees and Other Investment Expenses pertains to the amount paid to the trustee banks as compensation for their services and other expenses and charges incurred in connection with the administration, preservation, maintenance and protection of the fund.

22. INVESTMENTS INCOME

Details of this account follows:

	2024	2023
Income on:		
Government Securities/Other Securities and Debt Instruments	**313,045,765**	₱187,297,941
Cash and Cash Equivalents	**42,852,251**	21,961,139
Dividend Income	**69,152,109**	97,750,789
Realized Equity Securities Losses	**42,647,354**	(40,717,249)
Trust Fees and Other Investment Expenses	**(29,127,341)**	(34,255,258)
	438,570,138	₱232,037,362

23. OTHER INCOME

This account consists of:

	2024	2023
Handling and Other Fees	**₱1,150,053,100**	₱1,061,124,959
Miscellaneous Income	**43,159,476**	14,116,386
	₱1,193,212,576	₱1,075,241,345

Handling and Other Fees pertains to service charges to a planholder to cover for the plan administration services, surrenders and other contract fees.

Miscellaneous Income consists mainly of rental fee, fair value gain on investment properties and other miscellaneous charges.

24. TRUST FUND CONTRIBUTION (VAT Exempt)

The Trust Fund contribution for 2024 and 2023 amounting to ₱11,427,676,285 and ₱11,026,116,643, respectively, are different to the total contributions cited in Note 8 due to the deposits made in 2024 and 2023 to fund the Pre-Need reserve computed on a monthly basis done by the Company.

Reconciliation is as follows:

	2024	2023
Trust fund contribution, per books	**₱11,427,676,285**	₱11,026,116,643
Trust fund contribution in December 2022 deposited on January 20, 2023	**-**	1,020,365,402
Trust fund contribution in December 2023 deposited on January 20, 2024	**1,087,351,297**	(1,087,351,297)
Trust fund contribution in December 2024 deposited on January 20, 2025	**(1,043,218,517)**	-
Trust Fund Contribution, per bank	**₱11,471,809,065**	₱10,959,130,748

25. OTHER DIRECT COSTS AND EXPENSES

This account consists of:

	2024	2023
Collection Administration, Recruitment and Training Expenses	**₱4,052,143,497**	₱4,170,495,841
Direct Marketing Commission and Expenses	**3,124,233,642**	3,657,130,155
Insurance	**785,965,141**	852,710,367
	₱7,962,342,280	₱8,680,336,363

26. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	2024	2023
Salaries, Wages and Employee Benefits	**₱665,137,103**	₱625,665,674
Taxes and Licenses (Note 34)	**176,279,467**	89,014,907
Depreciation and Amortization (Note 12, 26)	**126,263,740**	97,663,929
Light, Water and Communication	**85,333,707**	68,431,116
Training and Conference	**64,770,420**	57,101,240
Office Supplies	**63,336,188**	67,320,983
Transportation Expense	**43,689,844**	27,765,028
SSS, Philhealth and Pag-ibig	**35,369,328**	30,307,521
Repairs and Maintenance	**27,666,712**	25,469,865
Professional and Management Fees	**23,551,464**	20,425,230
Entertainment and Recreation	**7,366,649**	6,094,430
Advertising and Promotions	**1,222,160**	865,650
Other General & Administrative Expenses	**14,091,530**	11,666,984
	₱1,334,078,312	₱1,127,792,557

Other General and Administrative Expenses consist of membership dues, donations and contributions and other miscellaneous small amount expenses of the Company.

27. INCOME TAXES

Income tax expense consist of:

(In Philippine Peso)	**2024**	2023
Current	**442,468,235**	₱405,746,869
Deferred	**12,059,496**	10,821,145
Income Tax Expense	**454,527,731**	₱416,568,014

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit and loss is as follows:

	2024	2023
Statutory Income tax	**1,498,577,975**	₱700,473,771
Tax effect of Permanent Differences		
Trust Fund Income	**(1,560,849,762)**	(779,021,057)
Investment Income/(Loss)	**(109,642,535)**	(58,009,341)
Other Nontaxable Income/ Nondeductible Expense	**626,442,053**	553,124,641
Income Tax Expense	**454,527,731**	₱416,568,014

An analysis of deferred tax asset/liability to the following as of December 31:

(In Philippine Peso)	**2024**	2023
Deferred Tax Asset		
Lease Liability	**₱33,251,734**	₱21,814,061
Deferred Tax Liability		
Net Pension Asset	**48,948,716**	91,246,835
Right of Use Asset	**33,028,550**	23,582,255
Fair Value Gain on:		
Investment Properties	**15,236,500**	7,990,750
Property and Equipment	**63,133,928**	34,133,928
Deferred Tax Asset/(Liability), Net	**(₱127,095,960)**	(₱135,139,707)

Movement of deferred tax asset presented in Statements of Income and Other Comprehensive Income is as follows:

	Profit or Loss		**Other Comprehensive Income**	
(In Philippine Peso)	**2024**	2023	**2024**	2023
Deferred Tax Asset				
Lease Liability	**11,437,673**	₱14,348,778	**₱-**	₱-
Deferred Tax Liability				
Net Pension Asset	**(6,805,122)**	9,586,346	**49,103,241**	2,086,864
Right of Use Asset	**(9,446,295)**	(13,113,979)	**-**	-
Fair Value Gain on:				
Investment Properties	**(7,245,750)**	-	**-**	-
Property and Equipment	**-**	-	**(29,000,000)**	-
	(12,059,496)	₱10,821,145	**₱20,103,241**	₱2,086,864

28. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company has transactions with related parties. None of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances were unsecured and are usually settled in cash. Summary of the significant transactions with related parties as at December 31, 2024 and 2023 are as follows:

	Nature of Transactions	Amount of Transactions	
		2024	2023
Related Party			
Entities under Common Control	**Mortuary Services**	**₱1,461,063,183**	₱1,334,450,954
Affiliates	**Leases**	**2,014,500**	1,440,000
Stockholders	**Dividends**	**816,000,000**	680,000,000
Key Management	**Compensation**	**134,621,040**	122,419,440

Related party transactions has no outstanding balance as of December 31, 2024 and 2023.

a. Mortuary Services to Related Parties

The Company's transactions with the related parties represent payment of funeral and mortuary services to the following affiliates for the period ended December 31, 2024 and 2023. These transactions bear no interest with credit terms ranging from 15 to 30 days and included as part of plan benefits under increase/(decrease) in pre-need reserve including trust fund contributions and benefits account in the Statements of Income.

	2024	2023
St. Peterlife Memorial Homes (Luzon), Inc.	**₱314,951,413**	₱296,405,286
St. Peterlife Memorial Homes (Visayas), Inc.	**274,136,668**	260,373,588
St. Peterlife Memorial Homes (Mindanao), Inc.	**198,033,607**	194,832,192
St. Peter Chapels Luzon, Inc.	**171,943,954**	132,537,129
St. Peter Memorial Chapels, Inc.	**115,112,803**	94,187,077
St. Peter Chapels Northern Luzon, Inc.	**108,079,551**	95,512,917
Golden Gate Memorial Chapels Visayas, Inc.	**92,999,203**	86,426,761
Family Choice Memorial Chapels, Inc.	**81,228,037**	78,723,270
St. Peter Chapels Southern Luzon Inc.	**74,857,580**	64,111,927
St. Peter Chapels Mindanao West, Inc.	**29,720,367**	31,340,807
	₱1,461,063,183	₱1,334,450,954

b. Dividends Declaration

At a meeting of the Board held on May 20, 2024, the Board approved the distribution of cash dividend to stockholders of record as of May 20, 2024 from the unrestricted retained earnings available for cash dividends amounting to ₱816 million.

c. Leases

The Company leased out part of its office building to its affiliates and is included under Other Income – Miscellaneous Income account *(See Note 30)*.

d. Compensation of Key Management Personnel

Key management personnel of the Company include all officers with position of vice president and up.

	2024	2023
Salaries and Wages	**₱133,683,600**	₱121,650,000
Other Benefits	**937,440**	769,440
	₱134,621,040	₱122,419,440

29. POST EMPLOYMENT BENEFITS

The Company has a defined benefit plan, covering substantially all of its regular employees, which requires contribution to be made to administered funds. The regular retirement age is at least 60 with minimum of 5 years of service. The fund is being administered by a Trustee Bank and is authorized to invest the fund as it deems proper. Actuarial valuation is being updated by an independent actuary every year.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at December 31, 2024 by Asian Actuaries, Inc. The present value of the defined benefit obligation, the related current service cost was measured using the projected unit credit method.

The principal actuarial assumptions used in determining pension obligations for the Company's retirement plan are shown below:

	2024	2023
Discount rate	**6.09%**	7.50%
Rate of salary increase	**4.50%**	5.50%

The Company applies asset-liability matching techniques to maximize investments returns at the least risk to reduce contribution requirements while maintaining a stable retirement fund. Retirement funds are invested to ensure that liquid funds are available when benefits become due, to minimize losses due to investment pre-terminations and maximize opportunities for higher potential returns at the least risk.

Significant actuarial assumptions for the determination of the defined obligation 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.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₱115,994,065 (increase by ₱136,725,505).
- If the expected salary growth increases (decreases) by 100 basis points, the defined obligation would increase by ₱118,253,988 (decrease by ₱102,829,456).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation 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 analysis, the present value of the defined benefit obligation 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 defined benefit obligation liability recognized in the Statement of Financial Position.

The following tables summarize the components of defined benefit cost recognized in the Statements of Income and the funded status and amounts recognized in the statement of financial positions for the plan:

Movements in the Present Value of the Defined Benefit Obligation are as follows:

	2024	2023
Defined Benefit Obligation, Beginning	**₱860,945,930**	₱756,755,514
Current Service Cost	**49,937,370**	46,992,971
Interest Cost	**56,684,014**	61,067,730
Benefits Paid	**(10,150,737)**	(13,450,519)
Remeasurement - Actuarial Losses/(Gains) arising form:		
Changes in Financial Assumptions	**192,405,587**	9,580,234
Defined Benefit Obligation, Ending	**₱1,149,822,164**	₱860,945,930

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

	2024	2023
Fair Value of Plan Assets, Beginning	**₱1,225,933,271**	₱1,091,744,923
Actual Return on Plan Asset	**79,897,123**	77,357,193
Contributions	**62,376,400**	70,281,674
Benefits Paid	**(10,150,737)**	(13,450,519)
Fair Value of Plan Assets, Ending	**₱1,358,056,057**	₱1,225,933,271

The details of the fair value of plan assets follow:

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Cash and cash equivalents	**₱58,306**	**₱58,306**	₱14,270,223	₱14,270,223
Equity investments categorized by industry type:				
- Holding Firms	**89,413,335**	**75,042,983**	83,932,915	70,774,691
- Services	**15,923,177**	**15,220,281**	28,422,176	33,004,529
- Property	**122,107,937**	**119,660,119**	102,277,806	89,976,031
- Industrial	**85,680,159**	**100,567,425**	106,918,334	102,983,943
- Financials	**137,447,540**	**147,101,445**	140,119,189	143,475,250
- Mining and Oil	**-**	**-**	2,843,023	2,519,824
Subtotal	**₱450,572,148**	**₱457,592,253**	₱464,513,443	₱442,734,268
Debt investments categorized by issuer's credit rating:				
- AAA	**₱199,073,911**	**₱195,338,626**	₱230,836,210	₱225,498,081
- BA2	**-**	**-**	-	-
- not rated	**-**	**-**	-	-
Subtotal	**₱199,073,911**	**₱195,338,626**	₱230,836,210	₱225,498,081
Government Securities	**₱683,304,383**	**₱691,980,391**	₱539,190,372	₱563,144,763
Others				
- Receivables	**₱13,862,199**	**₱13,862,199**	₱12,329,398	₱12,329,398
Subtotal	**₱13,862,199**	**₱13,862,199**	₱12,329,398	₱12,329,398
Total assets	**₱1,346,870,947**	**₱1,358,831,775**	₱1,261,139,646	₱1,257,976,733
Less: Financial Liabilities				
Accrued Expenses and Other Liabilities	**₱775,718**	**₱775,718**	₱32,043,462	₱32,043,462
Total Fair Value of Plan Assets	**₱1,346,095,229**	**₱1,358,056,057**	₱1,229,096,184	₱1,225,933,271

The plan assets consist of the following:

- Cash and cash equivalents includes regular savings and time deposits;
- Investments in government securities and bonds bear interest ranging from 3% to 7.7% and have maturities ranging from 2013 to 2037;
- Investments in equity securities consist of companies listed in the Philippine Stock Exchange (PSE).
- Other assets include accrued interest income on cash deposits and debt securities held by the Retirement Plan.

Net pension liability recognized in the Statements of Financial Position follows:

	2024	2023
Defined Benefit Obligation, Ending	**₱1,149,822,164**	₱860,945,930
Fair Value of Plan Assets, Ending	**1,358,056,057**	1,225,933,271
Net Pension (Asset) Liability	**₱(208,233,893)**	₱(364,987,341)

Movement in the Net Pension Liability for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Net Pension (Asset) Liability At January 1	**₱(364,987,341)**	₱(334,989,409)
Defined Benefit Cost	**22,716,883**	31,936,287
Contributions	**(62,376,400)**	(70,281,674)
Remeasurement Gain/(Losses)	**196,412,965**	8,347,455
Net Pension (Asset) Liability At December 31	**₱(208,233,893)**	₱(364,987,341)

The component of defined benefit cost recognized in profit or loss is as follows:

	2024	2023
Current Service Cost	**₱49,937,370**	₱46,992,971
Interest Cost on Benefit Obligation	**(27,220,487)**	(15,056,684)
Defined Benefit Cost	**₱22,716,883**	₱31,936,287

Recognized in Other Comprehensive Income:

	2024	2023
Remeasurement (Gain) Loss on Plan Asset	**₱4,007,378**	₱(1,232,779)
Actuarial Loss (Gain) Due to Decrease in Defined Benefit Obligation	**192,405,587**	9,580,234
Other Comprehensive Loss/(Gain)	**₱196,412,965**	₱8,347,455

Shown below is the maturity analysis of the undiscounted expected benefits payments:

	2024	2023
Less than a year	**₱3,353,296**	₱6,864,514
More than 1 year to less than 2 years	**16,508,773**	3,315,969
More than 2 year to less than 5 years	**56,468,063**	60,670,416
More than 5 years	**4,634,651,905**	5,068,297,665

30. COMMITMENTS AND CONTINGENCIES

a. Lease Commitments

Company as Lessee
The Company has entered into various lease agreements for its sub-office spaces. These leases have remaining lease terms ranging from one to 10 years. Certain leases include a clause to enable upward revision of the annual rental charge ranging from 5% to 10%. Total rental payment for the year 2024 and 2023 amounted to ₱67,353,777 and ₱63,013,869, respectively.

The roll forward analysis of right-of-use assets is follows:

	2024	2023
Cost		
At January 1	**₱277,261,666**	₱271,339,937
Termination/Write-Off	**(100,554,092)**	(51,421,997)
Additions	**107,485,707**	57,343,726
At December 31	**₱284,193,281**	₱277,261,666
Accumulated Depreciation		
At January 1,	**₱182,932,652**	₱181,898,732
Termination/Write-Off	**(100,554,092)**	(51,421,997)
Depreciation	**69,700,520**	52,455,917
At December 31	**₱152,079,080**	₱182,932,652
Net Book Value	**₱132,114,201**	₱94,329,014

The following are the amounts recognized in the Statements of Income:

	2024	2023
Depreciation Expense of ROU	**₱69,700,520**	₱52,455,917
Interest Expense of Lease Liabilities	**5,618,759**	5,618,759
	₱75,319,279	₱58,074,676

The roll forward analysis of lease liabilities:

	2024	2023
At January 1,	**₱87,256,249**	₱87,307,633
Interest Expense	**5,618,759**	5,618,759
Additions	**107,485,707**	57,343,726
Payments	**(67,353,777)**	(63,013,869)
At December 31	**₱133,006,938**	₱87,256,249

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
Within One Year	**₱38,448,241**	₱14,012,220
More than One Year to Five Years	**120,884,461**	135,250,565
More than Five Years	**908,095**	2,010,040
	₱160,240,797	₱151,272,825

Company as Lessor
The Company leased out part of its office building to its affiliates. The leases have a term of one year, renewable at the option of the lessees subject to such terms and conditions as may be acceptable to the lessor. Such lease agreement was recognized under the operating lease method. Total earned rental income amounted to ₱2,014,500 and ₱1,440,000 in 2024 and 2023, respectively, and is included under Other Income – Miscellaneous Income account *(See Note 23).*

b. ***Contingencies***

The Company is contingently liable with respect to possible claims and lawsuits arising in the ordinary conduct of business. Management and its legal counsel believe that the final resolution of claims or lawsuits, if any, will not have a material effect on the Company's financial statements.

31. CAPITAL MANAGEMENT

Governance Framework

The Company's risk management function has developed and implemented certain minimum stress and scenario tests, through cash flow statements, that will serve as a tool in meeting its working capital requirements and mitigate the risk of insolvency to a selected remote level.

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

The policies define the Company's identification of risks and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align strategies to the corporate goals and specify reporting requirements.

Capital Management Framework

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company's capital management is structured to build value for shareholders and satisfy the requirement for future long-term investments. This entails resource allocation to maximize profit. The Company manages its capital structure and makes adjustments to it. The Company may adjust its current policies that satisfy dividend payments, return of capital and issuance of new shares to maintain capital structure.

The Company's risk management function has developed and implemented certain minimum stress and scenario tests for identifying the risks to which each of its business units and the Company as a whole is exposed, quantifying their impact on the volatility of economic capital. The results of these tests, particularly, the anticipated impact on the realistic statement of financial position and revenue account of each business unit, are reported to the Company's risk management function.

No changes were made in the Company's capital management objectives, policies and processes for the years ended December 31, 2024 and 2023, respectively.

Starting 2009, externally imposed capital requirements are set and regulated by the IC. These requirements are put in place to ensure sufficient solvency margins. Chapter III, Section 9 of the Pre-need Code: Paid-up Capital, states that for existing pre-need companies offering a single type of plan, the minimum paid-up capital is ₱50,000,000.

As of December 31, 2024, the Company has complied with the minimum paid-up capital requirement with a total paid-up capital amounting to ₱1,360,000,000.

32. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

2024	**Lease Liabilities**	**Dividends Payable**	**Total**
Balance as of January 1, 2024	**₱87,256,249**	**₱-**	**₱87,256,249**
Cash flows from/(to) financing activities			
Lease Payments	**(67,353,777)**	**-**	**(67,353,777)**
Payment of Dividends	**-**	**(816,000,000)**	**(816,000,000)**
Non-cash Financing Activities			
Dividends Declaration	**-**	**816,000,000**	**816,000,000**
Additions During the Year	**107,485,707**	**-**	**107,485,707**
Interest – Lease Liability	**5,618,759**	**-**	**5,618,759**
Balance as of December 31, 2024	**₱133,006,938**	**₱-**	**₱133,006,938**

2023	Lease Liabilities	Dividends Payable	Total
Balance as of January 1, 2023	₱87,307,633	₱-	₱87,307,633
Cash flows from/(to) financing activities			
Lease Payments	(5,670,143)		(5,670,143)
Payment of Dividends		(680,000,000)	(680,000,000)
Non-cash Financing Activities			
Dividends Declaration		680,000,000	680,000,000
Interest – Lease Liability	5,618,759		5,618,759
Balance as of December 31, 2023	₱87,256,249	₱-	₱87,256,249

33. CURRENT AND NONCURRENT CLASSIFICATION OF ASSETS AND LIABILITIES

As of December 31, 2024 and 2023, the Company's classification of its accounts is as follows:

2024	**Current**	**Noncurrent**	**Total**
Assets			
Cash and Cash Equivalents	**₱1,694,156,442**	**₱-**	**₱1,694,156,442**
Financial Assets	**1,329,514,009**	**3,815,417,222**	**5,144,931,231**
Investments in Trust Fund	**39,204,996,763**	**70,655,193,614**	**109,860,190,377**
Other Reserves Fund	**810,999,505**	**1,898,687,637**	**2,709,687,142**
Prepayments and Office Supplies	**16,367,317**	**-**	**16,367,317**
Investments in Subsidiaries	**-**	**3,286,915,000**	**3,286,915,000**
Property and Equipment (net)	**-**	**697,151,578**	**697,151,578**
Investment Properties	**-**	**80,325,000**	**80,325,000**
Right-of-Use Assets	**-**	**132,114,201**	**132,114,201**
Net Pension Asset	**-**	**208,233,893**	**208,233,893**
Other Assets	**-**	**9,613,055**	**9,613,055**
Total Assets	**₱43,056,034,036**	**₱80,783,651,200**	**₱123,839,685,236**
Liabilities			
Accrued Expenses and Other Liabilities	**₱757,619,110**	**₱-**	**₱757,619,110**
Income Tax Payable	**148,112,088**	**-**	**148,112,088**
Pre-Need Reserves	**-**	**99,187,919,668**	**99,187,919,668**
Other Reserves	**-**	**2,140,948,351**	**2,140,948,351**
Lease Liabilities	**29,133,747**	**103,873,191**	**133,006,938**
Deferred Tax Liabilities	**-**	**127,095,960**	**127,095,960**
Other Liabilities	**-**	**331,228,862**	**331,228,862**
	₱934,864,945	**₱101,891,066,032**	**₱102,825,930,977**

2023	Current	Noncurrent	Total
Assets			
Cash and Cash Equivalents	₱1,727,297,616	₱-	₱1,727,297,616
Financial Assets	3,074,887,414	1,653,752,463	4,728,639,877
Investments in Trust Fund	37,179,520,433	58,636,968,255	95,816,488,688
Other Reserves Fund	715,942,941	1,655,787,136	2,371,730,077
Prepayments and Office Supplies	14,697,763	-	14,697,763
Investments in Subsidiaries	-	2,924,443,800	2,924,443,800
Property and Equipment (net)	-	601,828,666	601,828,666
Investment Properties	-	51,342,000	51,342,000
Right-of-Use Assets	-	94,329,014	94,329,014
Net Pension Asset	-	364,987,341	364,987,341
Other Assets	-	8,194,996	8,194,996
Total Assets	₱42,712,346,167	₱65,991,633,671	₱108,703,979,838
Liabilities			
Accrued Expenses and Other Liabilities	₱799,737,314	₱-	₱799,737,314
Income Tax Payable	144,691,228	-	144,691,228
Pre-Need Reserves	-	89,092,309,776	89,092,309,776
Other Reserves	-	1,928,406,877	1,928,406,877
Lease Liabilities	33,177,138	54,079,111	87,256,249
Deferred Tax Liabilities	-	135,139,707	135,139,707
Other Liabilities	-	310,426,537	310,426,537
	₱977,605,680	₱91,520,362,008	₱92,497,967,688

34. SUPPLEMENTARY INFORMATION REQUIRED UNDER RR 15-2010

As required by Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, the details on taxes duties and licenses fees paid or incurred during the taxable year is as follows:

Output VAT

	2024
	₱1,354,062,006

The Company's sales of services are based on actual premium collections received less trust fund contributions, hence may not be the same amount recognized in the Statements of Income.

The Company has no output VAT arising from sales of goods, zero-rated sales and exempt sales.

Input VAT

	2024
Balance, January 1	**₱-**
Current year's purchases/payments for:	
Goods other than for resale or manufacture	**9,946,563**
Capital goods subject to amortization	**4,306,336**
Services lodged under other accounts	**31,580,345**
Total	**45,833,244**
Claims for input tax, tax credit/refund and other adjustments	**45,833,244**
Balance, December 31	**₱-**

The Company has no input VAT arising from purchases of goods for resale/ manufacture or further processing, capital goods not subject to amortization and services lodged under cost of goods sold.

Information on the Company's Importations
The Company has no importations during the year.

Other Taxes and Licenses
This includes all other taxes, local and national, including licenses and permit fees, fringe benefits taxes and documentary stamp taxes lodged under the caption "Taxes and Licenses" account under the "General and Administrative Expenses" and "Registration Fees and Documentary Stamp Tax" account under the "Cost of Contracts Issued" sections in the Statements of Comprehensive Income:

	2024
Other Taxes and Licenses	
Charged to Cost of Contracts Issued	
Documentary Stamp Tax	**₱43,517,198**
Registration fees	**4,615,890**
	₱48,133,088
Charged to General and Administrative Expenses	
Business Taxes and Assessments	**₱171,640,577**
Registration Fees and Others	**4,638,890**
	₱176,279,467
Total	**₱224,412,555**

Withholding Taxes
Details of withholding taxes for the years ended December 31, 2024 are as follows:

	2024
Withholding Tax on Compensation and Benefits	**₱72,826,895**
Expanded Withholding Taxes	**541,471,668**
Final Withholding Tax on Dividends	**81,600,000**
	₱695,898,563

Tax Assessments and Cases
There are no deficiency tax assessments or tax cases, litigation and/or prosecution in courts or bodies outside the administration of the BIR.

- Nothing follows -