CONTINUING DISCLOSURE ANNUAL REPORT

Information Concerning

PROVIDENCE ST. JOSEPH HEALTH
AND THE OBLIGATED GROUP

The Continuing Disclosure Annual Report ("the Annual Report") is intended solely to provide certain limited financial and operating data in accordance with undertakings of Providence and the Members of the Obligated Group under Rule 15c2-12 ("the Undertaking") and does not constitute a reissuance of any Official Statement relating to the bonds referenced above or a supplement or amendment to such Official Statement.

The Annual Report contains certain financial and operating data for the twelve months ended December 31, 2025. Providence has undertaken no responsibility to update such data since December 31, 2025, except as set forth herein. This Annual Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Annual Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

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About Providence

Our Organization

Providence St. Joseph Health ("Providence") is a national, not-for-profit Catholic health system comprising a diverse family of organizations driven by a belief that health is a human right. With 51 hospitals, over 1,000 clinics, and many other health and educational services, our health system employs more than 120,000 caregivers serving patients in communities across seven Western states – Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. Our caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay.

Continuing an enduring commitment to world-class care and serving all, especially those who are poor and vulnerable, Providence uses scale to create Health for a Better World, one community at a time. We have been pioneering healthcare for more than 165 years and have a history of responding with compassion and innovation during challenging healthcare environments, including the recent pandemic. We are reimagining the future of healthcare delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality, affordable care, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic markets with growing populations. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 17 long-term care facilities, 19 supportive housing facilities, over 8,000 directly employed providers, approximately 29,000 affiliated providers, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

Providence maintains headquarters in Renton, Washington, and Irvine, California, and is governed by a sponsorship council comprised of members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. We are dedicated to ensuring the continued vibrancy of not-for-profit, Catholic healthcare in the United States. As one of the largest health systems in the United States, our Mission and values call us to serve each person with compassion, dignity, justice, excellence, and integrity reflecting the legacy of the Sisters of Providence and the Sisters of St. Joseph.

The Mission

As expressions of God's healing love, witnessed
through the ministry of Jesus, we are steadfast in serving all,
especially those who are poor and vulnerable ®

Our Values

Compassion | *Dignity* | *Justice* | *Excellence* | *Integrity*

Our Vision

Health for a Better World

Our Promise

"*Know me, care for me, ease my way.*"

Our Integrated Strategic & Financial Plan

Guided by our Mission, values, vision, and promise, Providence has developed and adopted an Integrated Strategic & Financial Plan called Strategic Direction 2030 that serves as our roadmap for accelerating progress toward our vision of Health for a Better World. Providence is practicing greater focus and discipline to adapt and thrive amid new economic realities facing healthcare. This includes streamlining the executive management structure to help us sharpen our focus on care delivery, expedite decision-making, accelerate our path to transformation, and increase subsidiarity at the local level. Supported by three areas of strategic focus, our plan ensures integration between our strategic aspirations and financial capacity.

Be the Best Place to Give and Receive Care

- Provide exceptional, personalized whole-person care recognized for compassion, excellence, and seamless access for all.
- Create an environment that attracts and retains the best people by revitalizing care delivery to support meaningful patient connections, growth and belonging.

Create the Delivery Model of the Future

- Courageously adapt our care delivery system to meet evolving community needs, nurturing our Mission and ensuring financial sustainability.
- Expand access and reduce health disparities by engaging in community partnerships and advocacy.

Drive Focused Innovation for Positive Change

- Streamline administrative tasks and enhance the experience for all, including our patients, through ethical technology adoption.
- Unlock new ways to support our Mission by building partnerships that support growth and expand our impact.

Strategic Affiliations. As part of our ongoing strategic planning and development process, Providence continues to evaluate and selectively pursue opportunities to affiliate with other service providers and invest in new facilities, programs, or other healthcare-related entities. Providence also routinely assesses existing partnerships and arrangements with third parties and adjusts as appropriate to best meet community needs. Likewise, we are frequently presented with opportunities from, and conduct discussions with, third parties regarding potential affiliations, partnerships, mergers, acquisitions, joint operating arrangements, or other forms of collaboration, including some that could affect the Obligated Group Members. It is common for several such discussions to be in process concurrently. Providence's management pursues arrangements when there is a perceived strategic or operational benefit that is expected to enhance our ability to achieve the Mission and/or deliver on our strategic objectives. As a result, it is possible that the current organization and assets of the Obligated Group may change.

In October 2024, Providence announced the formation of Longitude Health in partnership with Baylor Scott & White Health, Memorial Hermann Health System, and Novant Health to provide sustainable solutions that lower costs and improve quality and access to patients and communities. Michigan Medicine became an additional member of Longitude Health effective May 2025. The organization identifies, develops, and scales capability-based solutions to centralize core operational functions and transform health system performance.

In October 2024, Providence announced the joint venture with Compassus for home health hospice, community-based palliative care and private duty caregiving services called Providence at Home with Compassus. In Lubbock, Texas, the Covenant Health hospice program that is part of the Providence family of organizations will be rebranded as Covenant Health at Home with Compassus. Under the agreement, Compassus will manage operations for the joint venture, which will include 24 home health locations in Alaska, California, Oregon and Washington, and 17 hospice and palliative care locations in Alaska, California, Oregon, Texas and Washington. The joint venture includes private duty services in Southern California. Providence selected this joint venture because Compassus brings an established history of providing high-quality home-based care, as well as technology and devices that will further support nurses and other caregivers delivering

care in the home. Providence and Compassus are working collaboratively to support the home health, hospice, palliative and private duty caregivers transferring employment to the joint venture. In March 2025, Providence contributed its services to the joint venture, finalizing operation in Alaska, Texas and Washington. California ministries transferred to the joint venture in October 2025 and Oregon ministries are expected to be transferred in the first half of 2026.

In December 2024, Providence announced the sale of 10 skilled nursing and assisted living care ministries to The Ensign Group ("Ensign"), which invests in and provides skilled nursing and senior living services, and rehabilitative and healthcare services. The divestiture closed in March 2025 for care centers in Alaska, Washington and Oregon, and is expected to close in the first quarter of 2026 for California.

In January 2025, Providence announced the formation of the Truveta Genome Project, a collaboration with other health systems, including Advocate Health, CommonSpirit Health, Henry Ford Health, Northwell Health, and Trinity Health to generate genetic data on consented and de-identified volunteers, creating a database of genotypic and phenotypic information. The de-identified sequencing data will enable biopharma and academic research to develop AI solutions to accelerate drug discovery, optimize clinical trials, and transform how diseases are prevented, diagnosed, and cured. This partnership brings Providence closer to making personalized medicine available through genomics and DNA sequencing.

On December 1, 2025, Providence completed the divestiture of Trusana, our mental health and wellness platform, transferring ownership to Aduro in exchange for an equity stake. Providence retains a strategic interest in the ongoing development and delivery of mental health and wellness solutions through its equity participation in Aduro.

On December 30, 2025, Providence entered into a multi-year partnership with Trimedx Holdings, LLC ("Trimedx") to manage its clinical engineering program maintaining Providence's fleet of medical devices. This strategic collaboration is designed to strengthen our equipment protection, advance predictive maintenance capabilities, provide real-time visibility into device performance, and enhance cybersecurity expertise across our operations. In alignment with the agreement, Providence's existing team transitioned to Trimedx, facilitating seamless continuity of service and ensuring ongoing compliance with all relevant regulatory standards.

On January 1, 2026, Providence completed the sale of its proprietary clinical decision-making tool, MedPearl, to Health Endeavors. Concurrently, Providence entered into a multi-year agreement ensuring its physicians retain access to MedPearl, while Health Endeavors committed to ongoing investment in maintaining and advancing the tool in alignment with evolving artificial intelligence technologies. This arrangement allows Providence to benefit from continued utilization of MedPearl for clinical support, while leveraging external expertise and resources to keep the tool current with industry advancements.

Providence will continue to evaluate opportunities for strategic growth. Providence does not typically disclose such discussions unless and until it appears likely that an agreement will be reached, and any required regulatory approvals will be forthcoming.

Reimagining and Revitalizing Healthcare

Providence remains committed to ensuring long-term sustainability, while continuing to innovate and evolve for the communities we serve, especially the poor and most vulnerable. Providence launched a series of initiatives to reimagine and revitalize the practice of clinical care and care delivery. Guided by our strategic plan, Strategic Direction 2030, these initiatives will launch Providence into the next phase of its transformation journey that aims to shape the future of healthcare.

Care Model and Workforce Redesign. Providence is working to relieve clinicians of the significant administrative burden placed upon them, which is a key driver of burnout. Providence is leveraging ambient technology and AI tools to reduce the time clinicians spend on non-clinical tasks. New models of care, including value-based care, virtual care, and team-based care are also essential to revitalizing the workday for our physicians, advanced practitioners and the entire care team.

Technology Transformation. Providence's Office of Transformation leads the ongoing adoption of new technology and partners with others to implement innovative solutions. Providence is successfully deploying

artificial intelligence at scale to transform core processes and administrative tasks. Our systemwide strategy for responsible adoption of artificial intelligence focuses on transforming the clinician and patient experience. Initiatives such as ambient scribing technology are being utilized to assist clinicians, along with other platforms that enable core leaders to streamline routine tasks. Internally developed innovations in production include our Conversational & Navigation Platform, and Automated Realtime Inbasket Assistant. The goal is to leverage technology to ease the way of our care teams, support clinical decision-making and create access to genomics, precision medicine and clinical research for patients.

At Scale Partnerships and Global Deployment. Our diversification efforts continue to deliver success from our early investments in Truveta, Civica Rx, and Allumia Ventures (formerly Providence Ventures). This includes plans to scale our technology capabilities through at scale partnerships that we have with Truveta, Nuance, LeanTaaS, Xsolis, Epic, Oracle, UKG (formerly known as Kronos), Tegria Services Group, and Microsoft. Providence Global Center provides global capabilities to offer advanced healthcare solutions to Providence and other healthcare providers. This potential revenue stream will supplement our patient revenues, while advancing our vision by supporting other health systems and their communities. We continue to monetize investments to support the long-term growth and sustainability of the Providence Mission.

Portfolio Optimization. We continue to unlock the value embedded within the Providence platform, including non-acute care, technology platforms, Information Technology ("IT") services, and other investments. We are diligently reviewing our programs and facilities to ensure Mission sustainability. This includes leveraging technology to ensure we continue to meet community needs with more limited resources. This also involves evaluating whether we are the best provider of certain services or if others are better suited to deliver and expand access to care. We have partnered with organizations that have the expertise and scale to operate services more effectively, such as our Compassus joint venture on home-based care, the sale of some of our skilled nursing facilities to Ensign, or our partnership with R1 RCM Inc. ("R1") to optimize revenue cycle performance and our engagement of Trimedx to enhance clinical asset management and support. We are currently focused on growing our value-based care platforms including leveraging our capabilities in Medicare Advantage. In addition, efforts are under way to grow our value-based care initiatives with other payers, particularly in California. We are also working to increase capacity to meet growing needs across many of our non-acute service lines (Ambulatory and Home & Community Care) and are continuing to evaluate optimal growth and capitalization opportunities.

Achieving Long-term Financial Sustainability. Given the current healthcare economic challenges, we are called to bring greater focus and discipline to our operations. This will ensure our ministries have the necessary resources to carry out our Mission and deliver high-quality, compassionate care. We are focused on increasing revenue, managing expenses, fostering advocacy, and continuing to modernize clinical and administrative functions. These measures will enable us to reinvest in our people, programs, equipment and facilities. We have organized workstreams involving stakeholders from across our family of organizations and among them include:

- Advocacy: Working to educate state and federal government officials on the impact of key proposals. This also includes bringing practical policy solutions to the table and engaging the public on issues affecting healthcare. We are partnering with policymakers on solutions to provide financial solvency for non-profit hospitals. We continue to advance our proactive advocacy agenda that will address declining reimbursement rates for government-sponsored health insurance programs and provide policy solutions for the healthcare workforce shortage.
- Expense Management: Evaluating key areas, such as medical supply standardization, minimizing variation in office supplies, discretionary spend, agency use, overtime, leadership structure optimization and other opportunities. We continue to take steps to improve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As demand returns, we are flexing our labor and supply resources to allow us to efficiently and safely provide the services required by our patients.

Focusing on Core Operations

Management is actively deploying a plan to address operational efficiency opportunities. The System has launched a set of efforts to improve our operating model and ensure long-term sustainability. There are multiple focus areas as part of this effort:

- Surgical volumes: Efforts are underway to address pent-up demand for surgical and high acuity care in our communities. Clinical institute efficiencies and AI-powered tools are improving access to care and helping to more accurately predict and schedule operating usage.
- Increased Revenue: We have concluded many of our multi-year contract renewals in response to inflationary pressures. A key focus of these renewals included ongoing efforts to reduce denials and slow payments from payors. In addition, we continue to focus on capturing earned revenue through efforts such as vendor rebates. This workstream will also focus on expanding acute access through length-of-stay efficiencies.
- Workforce: We continue to focus on labor efficiency to address current labor shortages. The use of premium labor and overtime continues to decrease throughout the System.
- Patient progression: We are seeing improvements in length of stay due to continued focus on discharge management. We are making strides to address the issue through a variety of community partnerships, multidisciplinary discharge planning, patient progression, and capacity improvement programs.
- Cash acceleration: Accounts receivable has been negatively impacted by reimbursement delays from insurers, technology transitions, and other macroeconomic factors. Several initiatives are underway to reduce payment friction with the broader payor community.

Effective October 1, 2025, and January 1, 2026, the Centers for Medicare & Medicaid Services (“CMS”) updated 2026 payment rates for hospital inpatient and outpatient services paid by Medicare. Fiscal year 2026 rate adjustments for Hospital Inpatient and Outpatient Prospective Payment System programs are modestly higher compared to increases implemented in the previous year.

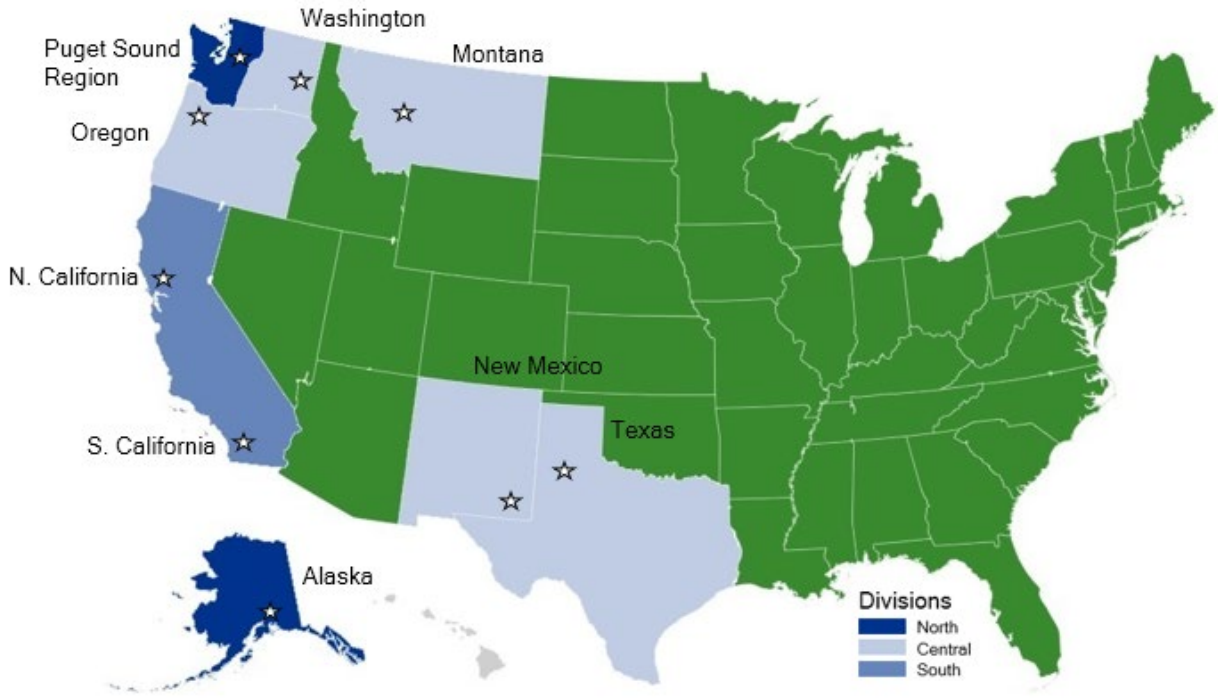
In June 2025, CMS approved Medicaid funding for Washington hospitals from the Safety Net Assessment Program for calendar year 2025 which enhances reimbursement for hospitals that serve low-income and uninsured patients. The Washington SNAP Program has initiated reconciliation of the 2024 Program Year, with Providence currently projected to owe $14 million to the program. The California program was submitted in late March 2025, but final approval from CMS remains pending. CMS and the California Department of Public Health (“CDPH”) are actively collaborating to revise the program in response to two implementation issues identified under H.R.1. CMS has provided CDPH with a 60-day window to resubmit the Hospital Quality Assurance Fee Program 9 for calendar year 2025, establishing a new deadline in the first quarter of 2026, to address outstanding concerns. We are tracking the status of each program and working closely with our state hospital associations throughout the approval process.

In July 2025, H.R.1, also known as the One Big Beautiful Bill Act (“OBBBA”), was enacted into law, bringing significant changes to various federal healthcare programs, including Medicaid, Medicare, and the Patient Protection and Affordability Care Act (“ACA”) of 2010. The legislation introduces a comprehensive restructuring of healthcare spending, particularly impacting Medicaid and the ACA exchanges, and includes substantial reductions in Medicaid funding. OBBBA is expected to reduce additional eligibility requirements for government health plans, expand administrative procedures related to enrollment, modify the mechanisms for state access to federal Medicaid funding, and discontinue the extension of ACA premium subsidies. These provisions, alongside other potential changes that will significantly reduce funding for healthcare agencies, are expected to accelerate a long-term transformation of the healthcare system. While certain changes will take effect as early as next year, Providence anticipates that the more impactful provisions of the bill will not be implemented until 2027 or later, thereby providing time to prepare and adapt.

Geographic Information

Providence spans seven states across the Western United States shown in the graphic below and is managed through three divisional structures: North (Puget Sound, Alaska), Central (Eastern Washington/Western Montana, Oregon, and West Texas/Eastern New Mexico), and South (Southern California and Northern California).

Exhibit 1.1 - Areas We Serve



Providence's operating revenue share by geographic region, within each of the three divisions, is presented for the periods indicated:

	Fiscal Year Ended	
EXHIBIT 1.2 - REVENUE SHARE BY GEOGRAPHIC REGION	12-31-2024 [1]	12-31-2025
North Division		
Puget Sound Region	22%	22%
Alaska	4%	4%
Central Division		
Eastern Washington and Western Montana	14%	14%
Oregon [1]	15%	15%
West Texas and Eastern New Mexico	5%	5%
South Division		
Southern California [2]	27%	27%
Northern California [2]	6%	7%
Other [2], [3], [4]	7%	6%

(1) Excludes operations of Providence Health Group, LLC subsidiaries classified as held for sale as of December 31, 2025.

(2) Normalized for one-time net gains of $371 million from the sale of Tegria's divested subsidiaries and $55 million from the sale of laboratory services in Orange County and Northern California recognized in the first half of 2024.

(3) Normalized for total net gains of $446 million related to Home & Community Care divestitures and partnerships, and divestiture of the System's clinical engineering department recognized in 2025.

(4) Includes Tegria Holdings LLC, Providence Assurance LLC, and support services. Tegria's Acclara and Advata subsidiaries were divested in the first quarter of 2024.

North Division

Puget Sound Region

The Puget Sound region includes three service areas: North Puget Sound, Central Puget Sound, and South Puget Sound, with a total inpatient market share of 25 percent in their service areas in 2024, as reported by the Comprehensive Hospital Abstract Reporting System. In the greater Puget Sound area of Washington, Providence Swedish operates 8 hospitals in King, Snohomish, Lewis and Thurston Counties, and a network of over 200 primary care and specialty clinics throughout the Puget Sound area.

Alaska

The Alaska region includes 5 hospitals and 28 clinics with a 30 percent inpatient market share statewide in 2024, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska facilities are primarily located in the greater Anchorage area, with 50 percent inpatient market share, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska region also has facilities located in the remote communities of Kodiak, Seward, and Valdez. Providence Alaska Medical Center is an acute care facility located in Anchorage and the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a long-term acute care hospital (the only one in the state), is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward, and Valdez, all co-located with skilled nursing facilities.

Central Division

Eastern Washington and Western Montana

The Eastern Washington-Western Montana region includes 9 hospitals, with a 46 percent inpatient market share in their service areas in 2024, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of two geographic markets: Eastern Washington and Western Montana. The region provides a variety of services, including home health and hospice care, primary and immediate care services, inpatient rehabilitation, skilled nursing and transitional care, and general acute care services.

Oregon

The Oregon region includes 8 hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 33 percent in their service areas in 2024, as reported by Apprise Health Insights. Providence St. Vincent Medical Center and Providence Portland Medical Center provide tertiary care to the Portland metropolitan market. The region also provides over 200 primary care, specialty and immediate care clinics, home healthcare, and housing.

In July 2023, the state of Oregon enacted House Bill 3320 into law requiring hospitals to prescreen patients for presumptive eligibility for financial assistance, those with state-funded programs, and those with insurance whose bills are greater than $500 for financial assistance eligibility. Providence has implemented a policy which prescreens all hospital patients in Oregon. The policy applies to billing for hospital services, including hospital outpatient departments. These new procedures align with Providence's Mission to ensure all patients have access to financial assistance. The law was effective in July 2024. Oregon legislature also passed House Bill 2697 which mandates hospital staffing levels by unit for registered nurses and certified nursing assistants. The staffing law was effective September 1, 2023, with additional provisions starting in 2024 and 2025. The new law sets new minimum nurse to patient ratios which went into effect June 1, 2024, and led to the hiring of 300 additional nurses. Efforts are underway by Providence, in collaboration with other Oregon hospitals, to reduce staffing law penalties and clarify requirements for nurse staffing plans.

In January 2025, Providence Oregon experienced a strike involving approximately 5,000 registered nurses, hospitalists, and clinic providers across all eight hospital ministries and three clinics. The strike ended after 46 days with ratification of new contracts.

In the fourth quarter of 2025, the System initiated and approved a plan to sell assets within the Providence Health Group, LLC subsidiaries ("PHG"), including Providence Health Plan and Providence Health Assurance. The planned sale meets the criteria for classification as held for sale and discontinued operations. The PHG subsidiaries are Non-Obligated Group affiliates and are not members of the Obligated Group. The Health System expects the sale to be completed in fiscal year 2026, subject to regulatory approval.

West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates are the market's largest health system, with 7 licensed hospitals. The inpatient market share was 37 percent in their service areas in 2024, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children's Hospital, Covenant Health Plainview, and Covenant Health Levelland, which are Obligated Group Members. Covenant Health System also operates Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Surgical Hospital. Covenant Health System also operates Covenant Medical Group, a medical foundation physician network of employed and aligned physicians, a joint venture acute rehabilitation facility, and Hospice of Lubbock. In New Mexico, Covenant Health System operates Hobbs Hospital, an acute care facility serving Hobbs and the surrounding area.

South Division

Southern California

The Southern California region includes 11 acute care hospitals in Los Angeles, Orange, and San Bernardino counties, with a total inpatient market share of 19 percent in their service areas in 2024, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, Providence includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank, with additional hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Cedars-Sinai Tarzana Medical Center ("PCSTMC") is owned and operated by both organizations through a joint venture as a not-for-profit hospital and offers an array of services including heart, vascular, orthopedic, cancer, and women's services, and maintains the region's largest Level III Neonatal Intensive Care Unit. Providence Medical Foundation operates more than 50 practice locations in the market, including Providence Facey Medical Foundation ("Facey"), Providence Medical Institute, and Providence Saint John's medical foundations. In addition, Providence has 5 acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region's level II trauma center, as well as a women's center.

Northern California

The Northern California region includes 6 hospitals in the North Coast, Humboldt, Napa, and Sonoma communities with a total inpatient market share of 30 percent in their service areas in 2024, as reported by the Office of Statewide Health Planning and Development. The acute care hospitals in Northern California include Providence Queen of the Valley Medical Center in Napa, Providence Santa Rosa Memorial Hospital, Petaluma Valley Hospital, Providence St. Joseph Hospital in Eureka, Providence Redwood Memorial Hospital in Fortuna, and Healdsburg Hospital. Providence Medical Foundation operates clinics in the region with its contracted physician partners.

On March 5, 2026, Providence entered into a letter of intent to transition ownership of Queen of the Valley Medical Center and related assets in Napa County to NorthBay Health. Pending a definitive agreement and regulatory approval, the health system expects this transition to occur by the end of 2026.

Other

Other includes support services and other entities. Support services is a support function that includes human resources, finance, information technology, and other services. Other entities include Tegria Holdings LLC, Providence Assurance LLC, and Providence Global Center, LLP.

In December 2023, Tegria Holdings LLC entered into a definitive agreement to sell its Acclara and Advata subsidiaries to R1 for $675 million. As a result of its ownership percentage, Providence received $575 million in cash upon closing, net of fees and expenses and other customary closing conditions, and a warrant to purchase up to 12.2 million shares of R1 stock at an exercise price of $10.52, which we exercised when R1 was taken private in late 2024. At the closing of the divestiture, Acclara and Providence entered into a 10-year agreement for comprehensive revenue cycle services, leveraging the integrated technology and services capabilities of R1 to serve Providence. The transaction was completed in January 2024.

In January 2025, Providence Ventures announced that it has spun off from Providence to become an independent venture capital firm under the name Allumia Ventures. Providence committed $150 million toward Allumia's third fund over its life of ten years. Allumia will continue to work with Providence in its capacity as an Anchor Limited Partner. As with Allumia's prior funds, Providence's investment proceeds will contribute to the organization's financial and strategic health and Mission.

In December 2025, the Health System completed the sale of its clinical engineering department to Trimedx. At closing, a net gain was reported within operating income, consistent with the treatment of similar disposals.

In December 2025, Tegria Holdings LLC and Providence Health & Services–Washington entered into a definitive agreement with affiliated entities of Altaris, LLC (Altaris) pursuant to which Altaris agreed to acquire 100% of the ownership interests in Tegria Services Group, Inc. and its subsidiaries held by Tegria Holdings LLC and other minority. The transaction was completed in January 2026.

Financial Information

The summary audited, combined financial information as of and for the fiscal years ended December 31, 2025, and 2024 is presented below has been derived by the management of Providence from audited combined financial information of the System. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

Providence initiated and approved a plan to sell assets within the PHG subsidiaries. The planned sale meets the criteria for classification as held for sale and discontinued operations. The combined statements of operations for the fiscal years ended December 31, 2024 and December 31, 2025 remove the results of operations of the PHG subsidiaries from the individual line items on the statements of operations. The operations of the PHG subsidiaries are presented as a single line item under loss from operations of discontinued subsidiaries.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates, and judgments that affect the amounts reported in the combined financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. System management considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its combined financial statements, including the following: recognition of net patient service revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; accounting for expenses in connection with restructuring activities; and reserves for losses and expenses related to healthcare professional and general liability risks. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

Summary Audited Combined Statements of Operations

EXHIBIT 2.1 - COMBINED STATEMENTS OF OPERATIONS $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Net Patient Service Revenues	$23,387	$24,549
Premium Revenues	502	550
Capitation Revenues	1,940	1,974
Other Revenues	2,241	2,381
Total Operating Revenues	**28,070**	**29,454**
Salaries and Benefits	15,630	15,616
Supplies	4,890	5,334
Purchased Healthcare Services	325	390
Interest, Depreciation, and Amortization	1,200	1,202
Purchased Services, Professional Fees, and Other	6,388	7,044
Total Operating Expenses	**28,433**	**29,586**
Deficit of Revenues Over Expenses from Operations Before Restructuring Costs and Other	**(363)**	**(132)**
Restructuring Costs and Other [1]	183	354
Deficit of Revenues Over Expenses from Operations	**(546)**	**(486)**
Non-Operating Gains	376	350
Deficit of Revenues Over Expenses from Continuing Operations	**(170)**	**(136)**
Loss from Operations of Discontinued Subsidiaries	(61)	(102)
Deficit of Revenues Over Expenses	**$(231)**	**$(238)**
Operating EBIDA [2]	**$894**	**$994**
Pro Forma Operating EBIDA [3]	**$1,077**	**$1,348**

(1) Includes restructuring charges primarily comprised of costs related to asset rationalization, employee reductions, and other items.

(2) Excludes operations of the PHG subsidiaries in 2024 and 2025. Excludes $278 million for the fiscal year ended December 31, 2025 and $239 million for the fiscal year ended December 31, 2024 in amortization of software as a service asset.

(3) Pro forma operating earnings before interest, depreciation, and amortization (“EBIDA”) exclude operations from the PHG subsidiaries and restructuring costs in 2024 and 2025.

Summary Audited Combined Balance Sheets

EXHIBIT 2.2 – COMBINED BALANCE SHEETS $ PRESENTED IN MILLIONS	As of 12-31-2024	 12-31-2025
Current Assets:		
Cash and Cash Equivalents [1]	$1,768	$1,136
Short-Term Investments [1]	697	1,423
Accounts Receivable, Net	3,513	3,497
Supplies Inventory	343	337
Other Current Assets	2,151	2,416
Current Portion of Assets Whose Use is Limited	77	90
Total Current Assets	**8,549**	**8,899**
Management Designated Cash and Investments [1]	5,700	5,874
Assets Whose Use is Limited	875	869
Property, Plant & Equipment, Net	9,233	9,455
Operating Lease Right-of-Use Assets	1,092	1,048
Other Assets	2,582	3,006
Total Assets	**$28,031**	**$29,151**
Current Liabilities:		
Current Portion of Long-Term Debt	184	137
Master Trust Debt Classified as Short-Term	494	621
Accounts Payable	1,604	1,851
Accrued Compensation	1,677	1,693
Current Portion of Operating Lease Right-of-Use	196	199
Other Current Liabilities	2,247	2,707
Total Current Liabilities	**6,402**	**7,208**
Long-Term Debt, Net of Current Portion	521	478
Master Trust Debt Classified as Long-Term [2]	6,974	7,329
Pension Benefit Obligation	519	352
Long-Term Operating Lease Right-of-Use, net of Current Portion	1,013	961
Other Liabilities	1,861	2,006
Total Liabilities	**$17,290**	**$18,334**
Net Assets:		
Controlling Interests	9,172	9,093
Noncontrolling Interests	142	158
Net Assets without Donor Restrictions	9,314	9,251
Net Assets with Donor Restrictions	1,427	1,566
Total Net Assets	**10,741**	**10,817**
Total Liabilities and Net Assets	**$28,031**	**$29,151**

[1] Unrestricted Cash and Investments were $8.4 billion as of December 31, 2025, and $8.2 billion as of December 31, 2024.

[2] Includes Series 2025A taxable fixed rate refunding bonds totaling $400 million, Series 2025C tax-exempt refunding bonds totaling $346 million, and Series 2025B tax-exempt bonds totaling $375 million.

Management's Discussion and Analysis

Management's discussion and analysis provides additional narrative explanation of Providence's financial condition, operational results, and cash flow to assist in increasing understanding of the combined financial statements. The summary audited combined financial information as of and for fiscal years ended December 31, 2025, and 2024, respectively, are presented below.

Results of Operations

The operating results presented below reflect changes from assets held for sale and normalize for restructuring costs on a pro forma basis for the quarters and fiscal years ended December 31, 2024 and December 31, 2025, respectively.

Operations Summary

Fiscal year ended December 31, 2025 compared with fiscal year ended December 31, 2024

Operating results improved during the fiscal year, primarily attributable to growth in operating revenues from increased patient volumes, offset by higher operating expenses. On a pro forma basis, operating EBIDA and deficit of revenues over expenses from operations were $1.3 billion and $132 million, respectively, representing $271 million and $231 million improvements to prior year. These results include total net gains of $446 million related to divestitures and partnerships recognized in 2025 and $426 million in 2024. The as reported operating EBIDA and deficit of revenues over expenses from operations were $994 million and $486 million, respectively.

Providence's reconciliation of pro forma operating EBIDA is presented for the periods indicated:

	Fiscal Year Ended					
	12-31-2024			12-31-2025		
EXHIBIT 3.1 – RECONCILIATION OF PRO FORMA OPERATING EBIDA $ PRESENTED IN MILLIONS	As Reported	Less: Restructuring Costs and Other	Pro Forma	As Reported	Less: Restructuring Costs and Other	Pro Forma
Deficit of Revenues Over Expenses from Operations	$(546)	(183)	$(363)	$(486)	(354)	$(132)
Interest, Depreciation, and Amortization [1]	1,440	-	1,440	1,480	-	1,480
Operating EBIDA	**$894**	**(183)**	**$1,077**	**$994**	**(354)**	**$1,348**

[1] Includes $278 million for the fiscal year ended December 31, 2025 and $239 million for the fiscal year ended December 31, 2024 in amortization of software as a service asset.

Net patient service revenues grew by 5 percent driven primarily by higher demand for patient services, including growth in surgeries and procedures, improvements in commercial payor rates, and lower length of stay contributing to increased patient throughput. The System saw improvements in labor productivity due to a continued focus on staffing and improvements in length of stay, as noted above, which decreased by 4 percent due to improvements in operational efficiencies and throughput. Operating results were impacted by a 46-day work stoppage at our Oregon facilities beginning in mid-January 2025 that resulted in significant additional costs driven primarily by agency contract labor for temporary replacement workers. While operating results were impacted by costs from the work stoppage, these were offset by other cost mitigation efforts undertaken by the System.

Net recognition of reimbursements from provider fee programs were $426 million (revenue of $1.4 billion and expense of $993 million), compared with $428 million (revenue of $1.3 billion and expense of $887 million) for the prior year.

Providence's key financial indicators are presented for the periods indicated:

EXHIBIT 3.2 – OPERATIONS SUMMARY $ PRESENTED IN MILLIONS UNLESS NOTED	Fiscal Year Ended AS REPORTED 12-31-2024	 AS REPORTED 12-31-2025	 PRO FORMA [1] 12-31-2024	 PRO FORMA [1] 12-31-2025
Operating Revenues	$28,070	$29,454	$28,070	$29,454
Operating Expenses	28,433	29,586	28,433	29,586
Deficit of Revenues Over Expenses from Operations	(546)	(486)	(363)	(132)
Operating Margin %	(1.9)	(1.7)	(1.3)	(0.4)
Non-Operating Gains	376	350	376	350
Operating EBIDA	894	994	1,077	1,348
Operating EBIDA Margin %	3.2	3.4	3.8	4.6
Premium and Capitation Revenues	2,442	2,524	2,442	2,524
Net Service Revenue/Case Mix Adjusted Admits	12,778	12,977	12,778	12,977
Net Expense/Case Mix Adjusted Admits	14,233	14,362	14,233	14,362
Total Community Benefit	$1,887	$2,095	$1,887	$2,095
Full-Time Equivalents ("FTEs") (thousands)	107	103	107	103

(1) Pro forma normalizes for restructuring costs and other in 2025 and 2024.

Three months ended December 31, 2025 compared with three months ended December 31, 2024

Operating results improved during the quarter, primarily driven by higher operating revenues due to increased demand for patient services, partially offset by costs associated with serving the System's higher patient volumes and prior period adjustments related to certain benefit costs. On a pro forma basis, operating EBIDA and excess of revenues over expenses from operations were $477 million and $97 million, respectively, representing $412 million and $350 million improvements to prior year, normalized for an actuarial true-up of $57 million incurred in the quarter associated with activities from the first half of 2025. During the fourth quarter of 2025, the System recorded $354 million in restructuring costs related to asset rationalization, employee reductions, and other items. Operating results also include total net gains of $281 million related to Home & Community Care divestitures and partnerships, and the divestiture of the System's clinical engineering department, recognized in the fourth quarter of 2025. Prior year's operating results also include certain one-time adjustments to amortization expense to conform the recognition of premium and discounts which resulted in decreases to operating expense. The as reported operating EBIDA and deficit of revenues over expenses from operations were $66 million and $314 million, respectively.

Providence's reconciliation of pro forma operating EBIDA is presented for the periods indicated:

EXHIBIT 3.3 – RECONCILIATION OF PRO FORMA OPERATING EBIDA $ PRESENTED IN MILLIONS	Three Months Ended 12-31-2024 As Reported	 12-31-2024 Less: Restructuring Costs and Other	 12-31-2024 Pro Forma	 12-31-2025 As Reported	 12-31-2025 Less: Restructuring Costs and Other [2]	 12-31-2025 Pro Forma
Excess (Deficit) of Revenues Over Expenses from Operations	$(436)	(183)	$(253)	$(314)	(411)	$97
Interest, Depreciation, and Amortization [1]	318	-	318	380	-	380
Operating EBIDA	**$(118)**	**(183)**	**$65**	**$66**	**(411)**	**$477**

(1) Includes $79 million for the fiscal year ended December 31, 2025 and $68 million for the fiscal year ended December 31, 2024 in amortization of software as a service asset.

(2) Includes restructuring costs of $354 million in 2025 and $183 million in 2024. Additionally, an actuarial true-up of $57 million was incurred in the fourth quarter of 2025 that was incurred in the first half of 2025.

Case mix adjusted admissions increased by 4 percent and drove a corresponding increase of 6 percent in net patient revenues. Despite increased operating expenses to serve higher patient volumes, labor productivity improved due to continued focus on staffing and labor cost management, including a 40 percent decrease in contract labor spend and other reductions from continued expense management initiatives. The System saw improvements in length of stay, which decreased 6 percent, contributing to increased patient

throughput. On a pro forma basis, supplies expense increased by 11 percent compared to the prior year, driven by an 11 percent increase in medical supplies and 10 percent increase in pharmaceutical expense.

Providence's key financial indicators are presented for the periods indicated:

	Three Months Ended			
	AS REPORTED		PRO FORMA [1]	
EXHIBIT 3.4 – OPERATIONS SUMMARY $ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2024	12-31-2025	12-31-2024	12-31-2025
Operating Revenues	$7,010	$7,755	$7,010	$7,755
Operating Expenses	7,263	7,715	7,263	7,658
Excess (Deficit) of Revenues Over Expenses from Operations	(436)	(314)	(253)	97
Operating Margin %	(6.2)	(4.0)	(3.6)	1.3
Operating EBIDA	(118)	66	65	477
Operating EBIDA Margin %	(1.7)	0.9	0.9	6.2
Premium and Capitation Revenues	606	630	606	630

[2] Pro forma normalizes for restructuring costs and other in 2025 and 2024.

Volumes

Fiscal year ended December 31, 2025 compared with fiscal year ended December 31, 2024

Patient volumes improved during the fiscal year ended December 31, 2025. Inpatient admissions increased 4 percent, acute adjusted admissions increased 4 percent, and case mix adjusted admissions increased 3 percent. In the non-acute setting, physician visits increased 4 percent, and outpatient surgeries and procedures increased 4 percent. Normalized for Home & Community Care divestitures, total outpatient visits increased 2 percent.

Providence's key volume indicators are presented for the periods indicated:

	Fiscal Year Ended	
EXHIBIT 3.5 – SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	12-31-2024	12-31-2025
Inpatient Admissions	445	464
Acute Adjusted Admissions	988	1,027
Case Mix Adjusted Admissions	1,830	1,892
Acute Patient Days	2,388	2,400
Long-Term Care Patient Days [1]	361	204
Outpatient Visits (incl. Physicians and Telehealth)	28,974	29,113
Emergency Room Visits	1,995	2,039
Surgeries and Procedures	703	733
Acute Average Daily Census (Actual)	6,523	6,575

[1] Current year includes change related to certain long-term care, skilled nursing, and assisted living transactions occurring in 2025.

Three months ended December 31, 2025 compared with three months ended December 31, 2024

Inpatient admissions increased 6 percent; acute adjusted admissions increased 5 percent and case mix adjusted admissions increased 4 percent. Outpatient surgeries and procedures increased 5 percent compared to the prior year. Normalized for Home & Community Care divestitures, total outpatient visits increased 2 percent, driven by physician visits and outpatient surgeries and procedures.

Operating Revenues

Fiscal year ended December 31, 2025 compared with fiscal year ended December 31, 2024

Operating revenues were $29 billion; an increase of 5 percent compared to prior year. Excluding operating revenues from Home & Community Care divestitures and partnerships and one-time net gains of $446 million recognized in other revenues in the 2025, and $426 million in 2024, total operating revenues grew 6

percent. Net patient service revenues were $25 billion, growing by 5 percent, driven by higher patient volumes and improving rates. The System experienced growth in all areas as Hospital revenues grew 6 percent; Physician and Outpatient revenues grew 7 percent.

Providence's operating revenues by state are presented for the periods indicated (footnotes appear beneath last table):

EXHIBIT 3.6 - OPERATING REVENUES BY STATE $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Alaska	$1,063	$1,119
Washington	9,302	9,879
Montana	569	621
Oregon	4,254	4,262
California	9,221	9,661
Texas/New Mexico	1,420	1,531
Total Revenues from Contracts with Customers [1]	25,829	27,073
Other Revenues [2], [3], [4]	2,241	2,381
Total Operating Revenues	$28,070	$29,454

Providence's operating revenues by line of business are presented for the periods indicated:

EXHIBIT 3.7 - OPERATING REVENUES BY LINE OF BUSINESS $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Hospitals [1]	$19,179	$20,360
Accountable Care	659	707
Physician and Outpatient Activities	3,520	3,754
Long-Term Care, Home Care, and Hospice [5]	1,625	1,373
Other Services	846	879
Total Revenues from Contracts with Customers	25,829	27,073
Other Revenues [2], [3], [4]	2,241	2,381
Total Operating Revenues	$28,070	$29,454

Providence's operating revenues by payor are presented for the periods indicated:

EXHIBIT 3.8 - OPERATING REVENUES BY PAYOR [6] $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Commercial	$11,942	$12,983
Medicare	8,690	8,822
Medicaid [1]	4,306	4,466
Self-pay and Other	891	802
Total Revenues from Contracts with Customers	25,829	27,073
Other Revenues [2], [3], [4]	2,241	2,381
Total Operating Revenues	$28,070	$29,454

[1] Includes revenue recognition of reimbursements from state provider fee programs of $1.4 billion for the fiscal year ended December 31, 2025, compared with $1.3 billion in the same period in 2024.

[2] Includes total net gains of $446 million related to Home & Community Care divestitures and partnerships, and divestiture of clinical engineering department recognized in 2025.

[3] Includes one-time net gains of $371 million from the sale of Tegria's divested subsidiaries and $55 million from the sale of laboratory services recognized in the first half of 2024.

[4] Excludes premium and capitation revenues as they are categorized among the line items that comprise Total Revenues from Contacts with Customers. Refer to Exhibit 2.1 for the components of Total Operating Revenues.

[5] Includes approximately $330 million in prior year revenue for Long-Term Care, Home Care, and Hospice from partnerships related to our Home & Community care entities that were included in various transactions in 2025.

[6] Refer to Exhibit 8.3 for supplementary information on net patient service revenue payor mix driven by patient utilization.

Three months ended December 31, 2025 compared with three months ended December 31, 2024

Operating revenues were $8 billion; an increase of 11 percent, driven by higher patient volumes, improving rates and recognized one-time gains. Excluding operating revenues from Home & Community Care divestitures and partnerships and one-time net gains of $281 million recognized in other revenues in the fourth quarter of 2025, operating revenues grew 9 percent. Net patient service revenues were $6 billion; an increase of 6 percent compared to the prior year.

Operating Expenses

Fiscal year ended December 31, 2025 compared with fiscal year ended December 31, 2024

On a pro forma basis, operating expenses increased 4 percent, driven by costs associated with serving higher patient volumes. Operating expenses were also impacted by costs from a work stoppage at our Oregon facilities in the first quarter of 2025. The System recorded $354 million in restructuring costs related to asset rationalization, employee reductions, and other items. Excluding operating expenses from Home & Community Care divestitures and partnerships, operating expenses increased 5 percent. On a pro forma basis, supplies expense increased by 9 percent, driven by an 11 percent increase in pharmaceutical expense and a 9 percent increase in medical supply costs. These increases were offset by other cost mitigation efforts undertaken by the System, including reductions from expense management initiatives. Labor productivity improved 3 percent on an adjusted occupied bed volumes basis due to continued focus on staffing optimization.

Three months ended December 31, 2025 compared with three months ended December 31, 2024

On a pro forma basis, operating expenses increased 5 percent, driven by costs to service higher patient volumes and prior period adjustments related to certain benefit costs. During the fourth quarter of 2025, the System recorded $354 million in restructuring costs related to asset rationalization, employee reductions, and other items. Operating expenses were also normalized for an actuarial true-up of $57 million incurred in the quarter associated with activities from the first half of 2025. Prior year's operating results also include certain one-time adjustments to amortization expense to conform the recognition of premium and discounts which resulted in decreases to operating expense. Excluding operating expenses from Home & Community Care divestitures and partnerships, operating expenses increased 7 percent. Despite increased operating expenses to server higher patient volumes, the System experienced improvements in labor productivity due to continued focus on staffing, including a 40 percent decrease in contract labor spend and reductions from expense management initiatives. On a pro forma basis, supplies expense increased by 11 percent, driven by an 11 percent increase in medical expense and a 10 percent increase in pharmaceutical supply expense.

Non-Operating Activity

Fiscal year ended December 31, 2025 compared with fiscal year ended December 31, 2024

Non-operating gains were $350 million, compared with $376 million in 2024. The decrease was driven by lower investment gains of $430 million, compared with $451 million in the prior year. The System recorded losses from operations of discontinued subsidiaries of $102 million in 2025 and $61 million in 2024.

Three months ended December 31, 2025 compared with three months ended December 31, 2024

Non-operating gains were $81 million, compared with non-operating losses of $28 million in 2024. The increase was driven by higher investment gains of $95 million, compared with investment losses of $14 million in the prior year. The System recorded losses from operations of discontinued subsidiaries of $89 million in 2025 and $77 million in 2024.

Held for Sale and Discontinued Operations

In the fourth quarter of 2025, the System initiated and approved a plan to sell assets within the PHG subsidiaries. The planned sale meets the criteria for classification as held for sale and discontinued operations. The Health System expects the sale to be completed in fiscal year 2026, subject to regulatory approval.

Operating results of the assets held for sale are shown within discontinued operations on the Combined Statements of Operations. Reconciliation of loss from operations of discontinued subsidiaries are presented for the periods indicated:

EXHIBIT 3.9 – STATEMENT OF OPERATIONS $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Premium Revenues	$2,484	$2,594
Other Revenues	145	92
Total Operating Revenues	**2,629**	**2,686**
Salaries and Benefits	245	233
Supplies	2	1
Purchased Healthcare Services	2,250	2,425
Interest, Depreciation, and Amortization	10	11
Purchased Services, Professional Fees, and Other	220	189
Total Operating Expenses	**2,727**	**2,859**
Loss from Operations of Discontinued Subsidiaries	**(98)**	**(173)**
Non-Operating Gains	37	71
Deficit of Revenues Over Expenses from Discontinued Operations	**$(61)**	**$(102)**

The assets held for sale were measured at the lower of carrying amount or fair value less costs to sell. No impairment was recognized. The major assets consist of cash, receivables, investments, and property, plant, and equipment. The major liabilities are related to medical claims. The total carrying amount of the assets and liabilities are presented for the periods indicated:

EXHIBIT 3.10 – KEY COMPONENTS OF ASSETS AND LIABILITIES $ PRESENTED IN MILLIONS	As of 12-31-2025
Current Assets	$363
Long-Term Assets	280
Total Assets	**643**
Current Liabilities	454
Long-Term Liabilities	1
Total Liabilities	**$455**

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately $8.4 billion as of December 31, 2025, compared with $8.2 billion as of December 31, 2024. During 2025, the System experienced fluctuations in working capital, some of which were seasonal and anticipated, while other impacts were less expected. These include the impact of the work stoppage at our Oregon facilities, delays in provider tax reimbursement attributable to CMS approval delays, and our annual retirement and incentive payments disbursed in April 2025, among other factors.

Net days in accounts receivable were 51.5 days at December 31, 2025, compared with 54.8 days at December 31, 2024. Accounts receivable improved 3.3 days due to timely claim submissions, enhanced technology, and improved processes leading to cash acceleration, despite ongoing payer headwinds such as higher denial volumes and processing delays.

In June 2025, Providence issued $400 million in taxable bonds, Series 2025A, the proceeds of which were used to reduce balances held on the revolving credit facility. In July 2025, Providence issued $346 million in tax-exempt bonds, California Health Facilities Financing Authority (“CHFFA”) Series 2025C, the proceeds of which refunded certain tax-exempt borrowings held on the revolving credit facility and certain outstanding bonds

and maturities, CHFFA 2013A, CHFFA 2016B3 & CHFFA 2019C. None of these activities resulted in additional indebtedness to Providence. These transactions increased Providence's liquidity capacity.

In September 2025, Providence modified its existing Revolving Credit Facility with key relationship banks, extending the maturity from September 2026 to September 2030 and increasing the facility size from $1.25 billion to $1.5 billion.

In October 2025, Providence issued $375 million in tax-exempt bonds, Series 2025B, which were priced at a premium. The proceeds were used primarily to reimburse the System for capital expenditures that begun in 2023 related to the Swedish First Hill hospital expansion. The First Hill project is expected to be completed in 2027.

Providence's liquidity is presented for the periods indicated:

	As of	
EXHIBIT 4.1 - INVESTMENTS BY DURATION $ PRESENTED IN MILLIONS	12-31-2024	12-31-2025
Cash and Cash Equivalents	$1,768	$1,136
Short-Term Investments	697	1,423
Long-Term Investments	5,700	5,874
Total Unrestricted Cash and Investments	$8,165	$8,433

Providence maintains a long-term investment portfolio comprised of operating and foundation investment assets. Providence's target asset allocation for the long-term portfolio, by general asset class, is presented for the periods indicated:

	As of	
EXHIBIT 4.2 - INVESTMENTS BY TYPE	12-31-2024	12-31-2025
Cash and Cash Equivalents	0%	0%
Domestic and International Equities	38%	38%
Debt Securities	33%	33%
Other Securities	29%	29%

Financial Ratios

Providence's financial ratios are presented for the periods indicated:

	As of	
EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	12-31-2024	12-31-2025
Total Debt to Capitalization %	46.2	47.7
Cash to Debt Ratio %	102.2	100.1
Days Cash on Hand [(1), (2)]	99	99
Maximum Annual Debt Service (Smoothed)	557	608
Cash to Net Assets Ratio	0.88	0.91

(1) Days Cash on Hand, a measure of cash in relation to monthly operating expenses, is calculated as follows: (unrestricted cash & investments) / (total operating expenses - depreciation and amortization expenses)/days outstanding during the periods).

(2) Including proceeds from the sale of Tegria Services Group, Inc. on January 2, 2026 and excluding operations of the PHG subsidiaries, there were 104 days cash on hand as of December 31, 2025. Final proceeds for the sale of the assets are undetermined.

System Capitalization

Providence's capitalization is presented for the periods indicated:

EXHIBIT 4.4 – SYSTEM CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2024	 12-31-2025
Long-Term Indebtedness	$7,158	$7,466
Plus: Leases	521	478
Less: Current Portion of Long-Term Debt	184	137
Net Long-Term Debt	7,495	7,807
Net Assets – Without Donor Restrictions	9,314	9,251
Total Capitalization	$16,809	$17,058
Long-Term Debt to Capitalization %	44.6	45.8

Providence's coverage of Maximum Annual Debt Service ("MADS") on indebtedness is not a defined concept under the Master Indenture, nor Providence's other credit documents. MADS coverage is presented for the periods indicated, excluding operations of the PHG subsidiaries:

EXHIBIT 4.5 – SYSTEM MADS COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	Fiscal Year Ended 12-31-2024	 12-31-2025
Income Available for Debt Service:		
Deficit of Revenues Over Expenses from Continuing Operations	$(170)	$(136)
Less: Unrealized Gain (Loss) on Trading Securities	60	(38)
Plus: Loss on Extinguishment of Debt	-	-
Plus: Loss on Pension Settlement Costs and Other	9	-
Plus: Restructuring Costs and Other	183	354
Plus: Depreciation	885	864
Plus: Interest and Amortization	315	338
Total	$1,282	$1,382
MADS (Smoothed)	$557	$608
MADS Coverage	2.30x	2.27x

System Governance and Management

Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state healthcare systems of PH&S and the SJHS, which was effective on July 1, 2016 (the "Combination"). Providence has been determined to be an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the "Sponsors Council").

The Sponsors Council retains certain reserved rights with respect to Providence. Among the powers reserved to the Sponsors Council are the following powers over the affairs of Providence (excluding certain affiliates, such as: Providence – Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, and Kadlec): to amend or repeal the articles of incorporation or bylaws of Providence; the appointment

and removal, with or without cause, of the directors of Providence; the appointment and removal, with or without cause, of the President and Chief Executive Officer of Providence; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property; the approval of operating and capital budgets, upon recommendation of the Providence Board of Directors; and the approval of dissolution, consolidation or merger. Providence has reserved rights over PH&S and SJHS, which powers may be exercised by the Board of Providence. Given the complexity of Providence's governance structure, Providence routinely evaluates and considers alternative governance models to best meet Providence's governance needs.

The following table lists the current members of the Board of Directors of Providence and the Sponsors Council.

Board of Directors	Term Expires (December 31)	Sponsors Council	Term Expires (December 31)
Michael Murphy, Chair †	2028	Sr. Sharon Becker, CSJ, Chair	2027
Richard Blair †	2026	Joyce Dombrouski	2028
Sr. Linda Buck, CSJ Δ	2027	Shannon Dwyer	2028
Isiaah Crawford, PhD. †	2028	Jeff Flocken	2026
Sr. Karin Dufault, SP, PhD. Δ	2027	Mark Koenig	2027
Sr. Diane Hejna, CSJ. †	2027	Sr. Cecilia Magladry, CSJ	2026
Sr. Phyllis Hughes, RSM, PhD. †	2026	Elizabeth McClosky	2027
Mary Beth Kingston, PhD., RN. ‡	2028	Sr. Margaret Pastro, SP	2028
Mary Lyons, PhD. †	2028	Mary Anne Sladich-Lantz	2026
Sr. Donna Markham, OP, PhD. Δ	2026	Sr. Mary Therese Sweeney, CSJ	2028
Marvin O'Quinn Δ	2026		
Omar Riojas, J.D. Δ	2027		
Charles W. Sorenson, M.D. †	2027		
Eric Sprunk ‡	2027		
Erik Wexler	Ex-officio		

† Not eligible for an additional term.
‡ Eligible for one additional three-year term.
Δ Eligible for up to two additional terms.

Executive Leadership Team

The following are key members of Providence's executive leadership team.

Name	Title
Erik Wexler	President and Chief Executive Officer
Greg Hoffman	Executive Vice President and Chief Financial Officer
Anna Newsom	Executive Vice President and Chief Legal Officer
Darryl Elmouchi, M.D.	Executive Vice President and Chief Operating Officer

On March 6, 2026, Providence announced that Greg Hoffman, Executive Vice President and Chief Financial Officer, will retire in June 2026. Providence has initiated a process for selecting the next chief financial officer who will continue the momentum established by Mr. Hoffman.

Environmental, Social, and Governance Standards

Providence remains committed to our strategic direction, which expresses our commitment and acceleration of the important work to address social, racial, and economic disparities and reduce our carbon missions in the communities we serve. Providence continues to work towards carbon negative and in 2025 decreased emissions by over 24 percent compared to our 2019 baseline. Over one hundred of our hospital's facilities are powered by 100 percent renewable electricity and additional sites will transition to renewable energy in the coming years. We continue to reduce greenhouse gas emissions with a focus on LED lighting upgrades, water conservation, more efficient delivery of nitrous oxide gas during anesthesia, and advancing our waste optimization work across all hospitals and clinics.

Providence remains steadfast in its commitment to delivering high-quality equitable care to all patients. In 2025, we screened 93 percent of hospital patients for social drivers of health such as food and housing insecurity. Additionally, we implemented new technology to more easily connect patients to resources in their communities to address these needs, improving both patient outcomes and experience.

Providence's commitment to advancing health equity led to a significant reduction in hypertension-related disparities among our most vulnerable patients, increasing hypertension control rates from 68.4 percent to 71.3 percent in 2025 and benefiting approximately 4,000 additional patients. Providence's commitment to improving health outcomes and reducing disparities applies across all quality, access, and patient experience metrics.

Support Services

Corporate officers and supporting staff oversee the management activities performed on a day-to-day basis by the management staff of each region. The Chief Financial Officer of Providence and Finance staff oversee the annual budget and multi-year planning activities of the organization, including capital allocation. Other areas in which the corporate staff provides centralized services or coordinates the activities of the service areas include legal affairs, information services, insurance and risk management, treasury services, real estate strategy and operations, marketing, supplies management, technical support, fund-raising, quality of care, medical ethics, pastoral services, mission effectiveness, human resources, planning and policy development, and government affairs, among others.

Obligated Group

Providence and the other entities so designated in the Glossary are currently Obligated Group Members under the Master Indenture.

For the fiscal year ended December 31, 2025, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 92 percent and 88 percent, respectively, of Providence's totals. For the fiscal year ended December 31, 2024, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 91 percent and 87 percent, respectively, of Providence's totals. Refer to Exhibit 8 for supplementary information on the Obligated Group Members.

Providence is the Obligated Group Agent under the Master Indenture. Under the Master Indenture, debt incurred or secured through the issuance of Obligations under the Master Indenture are the responsibility, jointly and severally, of the Obligated Group Members. Pursuant to the Master Indenture, Obligated Group Members may be added to and withdrawn from the Obligated Group under certain conditions described in the Master Indenture. Indebtedness evidenced or secured by obligations issued under the Master Indenture is solely the obligation of the Obligated Group, and such obligations are not guaranteed by, or are the liabilities of, Sisters of Providence, Mother Joseph Province, any other Province of the Sisters of Providence, Sisters of St. Joseph of Orange, the Roman Catholic Church, or any affiliate of Providence that is not an Obligated Group Member.

In April 2025, Providence – Southern California entered into an agreement with Providence Assurance, LLC ("PAL"), a captive insurance company for Providence and a member outside of the Obligated Group. Under this agreement, PAL provided a revolving credit facility for up to $350 million to Providence – Southern California. The proceeds from this transaction were used by Providence - Southern California to repay amounts due to the System. The transaction improved the Obligated Group's liquidity.

Obligated Group Utilization

The Obligated Group's key volume indicators are presented for the periods indicated:

EXHIBIT 5.1 – OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Fiscal Year Ended 12-31-2024	 12-31-2025
Obligated Group		
Inpatient Admissions	439	458
Acute Adjusted Admissions	924	960
Acute Patient Days	2,340	2,351
Long-Term Care Patient Days [1]	351	194
Outpatient Visits (incl. Physicians and Telehealth)	21,415	21,679
Emergency Room Visits	1,943	1,988
Surgeries and Procedures	556	579
Acute Average Daily Census (Actual)	6,395	6,441

[1] Current year includes change related to certain long-term care, skilled nursing, and assisted living transactions occurring in 2025.

Obligated Group Capitalization

The Obligated Group's capitalization is presented for the periods indicated:

EXHIBIT 5.2 – OBLIGATED GROUP CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2024	 12-31-2025
Obligated Group		
Long-Term Indebtedness	$7,143	$7,452
Plus: Loans from Affiliates	-	350
Plus: Leases	328	291
Less: Current Portion of Long-Term Debt	169	123
Net Long-Term Debt	7,302	7,970
Net Assets – Without Donor Restrictions	8,126	7,983
Total Capitalization	$15,428	$15,953
Long-Term Debt to Capitalization %	47.3	50.0

Historical Debt Service Coverage

Providence is compliant with the Historical Debt Service Coverage Ratio covenant for the Obligated Group pursuant to the terms of the Master Indenture. Providence's historical debt service coverage ratio is presented for the periods indicated:

EXHIBIT 5.3 – HISTORICAL DEBT SERVICE COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	Fiscal Year Ended 12-31-2024	 12-31-2025
Obligated Group		
Income Available for Debt Service	$1,544	$1,839
Debt Service Requirements on Funded Indebtedness:		
Scheduled Principal Payments	-	7
Interest Expense	336	331
Debt Service Requirements [1]	$336	$338
Historical Debt Service Coverage Ratio	4.6x	5.4x

[1] Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

Outstanding Master Trust Indenture Obligations

As of December 31, 2025, Providence had Obligations outstanding under the Master Indenture totaling $7.9 billion. This excludes Obligations that secure interest rate or credit facilities. The Obligations outstanding under the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 7 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2025.

Certain of the outstanding Obligations secure tax-exempt bonds previously issued for the benefit of one or more Obligated Group Members (collectively, the "Direct Placement Bonds") that were purchased directly by commercial banks. Certain other of the outstanding Obligations secure taxable loans and lines of credit previously incurred on behalf of the Obligated Group (the "Taxable Loans") from one or more commercial banks or a syndicate of banks. Certain other of the outstanding Obligations secure payment obligations relating to a letter of credit facility (the "Credit Facility") issued by a credit bank for the benefit of, or by, certain Obligated Group Members. The financial covenants relating to the Direct Placement Bonds, the Taxable Loans, and the Credit Facility are substantially consistent with the covenants in the Master Indenture. In addition to financial covenants, the Direct Placement Bonds, the Taxable Loans, and the Credit Facility include events of default that may cause an acceleration of the Obligations secured thereby, and, in turn, all Obligations secured by the Master Indenture. Certain documents relating to the Direct Placement Bonds, the Taxable Loans, and the Credit Facility containing these financial covenants and events of default are available for review on EMMA (http://emma.msrb.org).

Control of Certain Obligated Group Members

General

Providence is the sole corporate member of PH&S and SJHS. PH&S is the sole corporate member of Providence – Washington, Providence – Southern California, Providence – Montana, and Providence – Oregon. Providence – Southern California, in turn, is the sole corporate member of LCMASC and Providence – Saint John's. Providence – Montana is the sole corporate member of Providence – SJMC Montana. Providence Ministries is the co-corporate member, alongside Western HealthConnect of Providence – Western Washington. Western HealthConnect is the sole corporate member of Swedish, Swedish Edmonds, Pac Med, and Kadlec.

SJHS is the sole corporate member of SJHNC and, as more fully described hereinafter, a corporate member of St. Joseph Orange, St. Jude, Mission Hospital, St. Mary and CHS.

Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which operates the hospital facilities known as Providence Santa Rosa Memorial Hospital, Providence Queen of the Valley Medical Center, Providence St. Joseph Hospital, and Providence Redwood Memorial Hospital. The corporate entities of Providence Santa Rosa Memorial Hospital, Providence Queen of the Valley Medical Center, Providence St. Joseph Hospital, and Providence Redwood Memorial Hospital, each a California nonprofit public benefit corporation (collectively, the "Hospitals") transferred their assets to SJHNC effective as of April 1, 2018. Effective December 31, 2019, those four remaining corporate entities in connection with this reorganization were dissolved.

West Texas/Eastern New Mexico Region

SJHS and Lubbock Methodist Hospital System ("LMHS") are the corporate members of CHS. CHS is the sole corporate member of CMC, Covenant Levelland and Covenant Plainview. LMHS is not an Obligated Group Member and is not obligated for payment with respect to the Bonds.

CHS was formed in 1998 pursuant to an affiliation between SJHS and LMHS and its affiliates, pursuant to which CHS became the sole corporate member of certain entities previously affiliated with LMHS and, together with certain of such entities, joined the Obligated Group to which SJHS and its affiliates were party.

CHS is governed by a 19-member board of directors. LMHS and SJHS each appoint eight directors. SJHS also appoints the Chief Executive Officer of CHS, who is an ex-officio voting director. The CMC Chief of Staff and Covenant Children's Hospital Chief of Staff also serve as ex-officio voting directors. SJHS has extensive authority with respect to the financial affairs of CHS and its subsidiaries, including, but not limited to, the approval of budgets of CHS and its subsidiaries and selection and retention of auditors.

As part of the affiliation, SJHS, CHS and LMHS entered into an agreement that significantly restricts the ability of SJHS to sever its relationship with CHS and the entities formerly affiliated with LMHS. Under certain circumstances, it also restricts CHS and SJHS from a wide variety of transactions (the "Covered Transactions"), including: (i) certain management agreements, leases, joint ventures and other transactions that might have the effect of transferring control of Covenant Medical Center or all assets of CHS and its subsidiaries to an unrelated third party, or in a manner that voids or reduces LMHS's right, as a member, to appoint directors; (ii) a sale, transfer or conveyance of all or substantially all of CHS' assets (including all of CHS' affiliates, taken in the aggregate); (iii) an affiliation, management agreement, lease or joint venture under which a third party acquires the right to control CHS, as a whole; or (iv) any other transaction in which the ability to appoint and remove more than 50 percent of the directors of CHS is transferred to a third party.

In the event SJHS or CHS undertakes a Covered Transaction, they are obligated to provide notice and information to LMHS and to make a "reciprocal offer" to LMHS, including an offer to purchase LMHS's membership rights in CHS and a simultaneous obligation to offer CHS' membership rights to LMHS at the same purchase price, adjusted upward by a formula that reflects the dissolution percentages Pursuant to the terms of the affiliation, the dissolution percentages are SJHS – 57 percent; LMHS – 43 percent.

Other Information

Non-Obligated Group System Affiliates

In addition to the Obligated Group Members, Providence includes: a provider network; numerous fundraising foundations; Tegria Holdings LLC, a holding company of for-profit entities that provide technologies and services to the healthcare sector (see further details below under "Tegria"); various not-for-profit corporations that own and operate assisted living facilities and low-income housing projects, including housing facilities for the elderly; and the University of Providence formerly known as University of Great Falls, located in Great Falls, Montana. Providence also includes multiple operations involving or supporting home health, outpatient surgery, imaging services and other professional services provided through for-profit and non-profit entities that are not part of the Obligated Group. These entities are organized as subsidiaries of Providence, partnerships, or joint ventures with other entities. Obligated Group Members also may engage in informal alliances and/or contract-based physician relationships. Affiliates that are not Obligated Group Members are referred to in this Annual Report as the Non-Obligated Group System Affiliates. Certain Non-Obligated Group System Affiliates that are of significant operational or strategic importance and other Non-Obligated Group System Affiliates are discussed elsewhere in this Annual Report only to the extent they are viewed by management to be of operational or strategic importance.

Providence Clinical Network

The Providence Clinical Network ("PCN") is transforming clinical care across our family of organizations by creating a personalized and connected delivery system that serves patients and supports care teams across the Western United States. PCN includes our medical groups, same-day care services including urgent care, ExpressCare, ambulatory surgery and imaging; clinical sciences; our Program of All-inclusive Care for the Elderly ("PACE") and four system Clinical Institutes: Heart, Neuroscience, Women's and Children, Cancer and Digestive Health. Our medical groups include: Providence Medical Group, serving Alaska, Washington, Montana, and Oregon; Swedish Medical Group and Pacific Medical Centers in Washington's greater Puget Sound area; Kadlec, in southeast Washington; Providence Saint John's Medical Foundation, Providence Facey Medical Foundation, Providence Medical Institute and Providence Medical Foundation in California; and Covenant Medical Group, and Covenant Health Partners in West Texas and Eastern New Mexico.

Value-Based Care

Value-based care forms a vital pillar in achieving our strategic plan of transforming care and creating healthier communities. Our goal is to maximize the health outcomes of the people in our defined populations and communities through the design, delivery, and coordination of affordable quality healthcare and services. We provide products, tools, and services to maximize value-based reimbursement and increase quality outcomes. We integrate solutions to address social determinants of health and eliminate health inequities. We focus on a family of services, including value-based care strategy design, risk sharing & payments models, and government programs (Medicaid and Medicare).

Providence Health Plan

Providence Health Plan is a 501(c)(4) Oregon non-profit healthcare service contractor, and Providence Health Assurance is a wholly owned subsidiary of PHP. Providence Plan Partners is a 501(c)(4) Washington non-profit corporation.

The Health Plans provide services to a wide range of clients, including self-funded employers, and insurance coverage for large group employers, small group employers, individual and family coverage under the Affordable Care Act, Medicare Supplement, Medicare Advantage, Managed Medicaid risk administration, and pharmacy benefits management.

In the fourth quarter of 2025, the System initiated and approved a plan to sell assets within the PHG subsidiaries. The Health System expects the sale to be completed in fiscal year 2026, subject to regulatory approval.

Ayin

Ayin Health Holdings, Inc. is our population health management company that provides a comprehensive suite of services to employer, payer, provider, and government clients. Ayin is a for-profit, non-risk bearing entity providing administrative and clinical services in multiple states and incorporated in Delaware.

Home & Community Care

Home & Community Care is a trusted partner for individuals and families. Our community-based care and services are geared to help in times of need, aging and illness, and at the end of life. In partnership with Compassus, we provide home-based services, such as hospice, in-home palliative care and home health. We also provide supportive housing, Program of All-inclusive Care for the Elderly locations, home infusion, pharmacy services, and home medical equipment. As our Mission calls us to serve the poor and most vulnerable members of our community, the demand for these services continues to increase in the markets we serve, creating opportunities for continued growth, innovation, and investment.

In March 2025, we finalized the first phase of a joint venture for home health, hospice and community-based palliative care in Alaska, Washington and Texas. California ministries transferred to the joint venture in October 2025 and Oregon ministries are expected to transfer in the first half of 2026.

Tegria

Tegria Holdings LLC is a Providence wholly owned global healthcare consulting and services company that partners with provider and payer organizations to transform healthcare. From strategic advisory and operations consulting to managed services, Tegria offers end-to-end solutions to drive transformation in the following areas: revenue cycle, access and experience, care operations, enterprise systems and services, infrastructure and cloud, and data and analytics. By helping its clients drive growth, enhance experiences, and foster collaboration, Tegria is supporting the creation of more accessible, efficient, and integrated healthcare system. Tegria's global team has helped more than 500 provider and payer organizations drive transformation with market-leading solutions.

In January 2024, Tegria Holdings LLC completed the sale of its Acclara and Advata subsidiaries to R1 for $675 million. Upon closing of the transaction, Providence entered into a 10-year agreement for comprehensive revenue cycle services from Acclara that remains in progress.

In January 2026, Tegria Holdings LLC and certain minority stockholders divested Tegria Services Group, Inc. and its subsidiaries to Altaris, LLC, strategically positioning Tegria for continued growth and impact under new ownership, while allowing Providence to sharpen its focus on core healthcare services. Providence will continue to collaborate with Tegria Services Group, Inc. as a preferred technology services partner. Prior to this transaction, in October 2025, Providence transitioned its Community Technologies-related contracts and personnel from Tegria Services Group, Inc. back to Providence. Community Technologies, which encompasses our Epic Connect program, empowers larger healthcare organizations to extend their Epic instance to smaller facilities.

Litigation

Certain material litigation may result in adverse outcomes to the Obligated Group. Obligated Group Members are involved in litigation and regulatory investigations arising in the course of doing business. After consultation with legal counsel, except as described below, management estimates that these matters will be resolved without material adverse effect on the Obligated Group's future consolidated financial position or results of operations.

On April 11, 2022, the U.S. Department of Justice, the Washington Office of the Attorney General and Providence Health & Services – Washington entered into a Settlement Agreement and Corporate Integrity Agreement to resolve allegations raised by a relator regarding the False Claims Act arising out of the actions of two physicians at one Providence hospital in the southeast region of Washington State. These physicians are no longer practicing at any Providence hospital. Providence agreed to settle the litigation, without admitting fault, to resolve these matters expeditiously, which Providence believes is in the best interest of our caregivers and patients. Providence cooperated fully with the government throughout the investigation.

On February 1, 2024, the Washington State Attorney General's Office and Providence Health & Services - Washington, Swedish Health Services, Swedish Edmonds, and Kadlec Regional Medical Center, reached a settlement for alleged violations of the Washington State Consumer Protection Act related to the administration of the financial assistance program. The settlement included implementation of a streamlined process to provide all patients with information about financial assistance and how to apply using simple language aligned to our organizational values.

On March 13, 2024, the United States Department of Justice filed a complaint against six health plans participating in the Uniformed Services Family Health Plan ("USFHP") program, including PacMed Clinics ("PacMed"). The government alleges the health plans violated the False Claims Act by retaining overpayments paid by the government. This case is a government contracts dispute. PacMed negotiated and agreed on rates with the government every year. The government paid PacMed exactly the amount that the parties negotiated, and that the government agreed to pay. The quality of the patient care that PacMed provided, and patient billing, are not at issue in this case, it is purely a payment dispute. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

On April 8, 2024, Providence went to trial in the wage and hour class action matter of Bennett v. Providence Health & Services, which involves Providence's non-Swedish facilities in Washington. The jury found against Providence and issued a verdict in favor of Plaintiffs. With the utmost respect to the trial court and jury, Providence believes the verdict resulted from erroneous rulings and misstatements of the applicable law; this result was not unexpected at the trial court level. The case involved a novel application of law that had not been decided by the Washington Court of Appeals, and Providence, along with several other employers in the state of Washington, appealed the verdict to the Washington Court of Appeals. The appellate court affirmed the Bennett jury verdict. Providence recently filed its petition for review by the Washington Supreme Court. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

Callister v. Swedish Health Services is the companion case to Bennett involving Swedish facilities. In January 2026, the parties agreed in principle to resolve the matter. The settlement requires court approval, which is likely to take a number of months.

On September 30, 2024, the Attorney General of California filed a complaint against St. Joseph Health Northern California, LLC, alleging violations of the California Emergency Services Law and the Unruh Civil Rights Act, related to services provided to a patient seen in the Providence St. Joseph Hospital ("Providence") emergency department. Providence is in the early stages of investigating the allegations of the complaint. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

Several civil actions are pending or threatened against certain affiliates, including Obligated Group Members, alleging medical malpractice. In the opinion of management of Providence, based upon the advice of legal counsel and risk management personnel, the currently estimated costs and related expenses of defense will be within applicable insurance limits or will not materially adversely affect the financial condition or operations of Providence.

Employees

As of December 31, 2025, Providence employed over 120,000 caregivers, with approximately 39 percent of these employees represented by 22 different labor unions. The organization experienced a headcount reduction of approximately 5,000 caregivers over the past year due to divestitures and reduction in force.

Providence remains committed to offering market-competitive salaries and benefits to our employees. Each employer under Providence is working to provide compensation and benefits that will attract and retain employees. This will require ongoing negotiations with unions representing employees in various markets throughout 2026. Additionally, the organization plans to make substantial investments in wages for our non-represented caregivers.

We continue to navigate a challenging environment marked by increased work stoppages, including strikes in 2025 at separate employers in Oregon and California. We anticipate further labor actions in some of our markets through 2026. To maintain smooth operations and minimize disruptions to hospital services and patient care, management will engage qualified temporary replacement workers when available. Our leadership teams are committed to negotiating with the respective unions to reach mutually beneficial agreements. We are also aware of the ongoing organizing efforts by labor unions within the healthcare industry, including in markets where Providence operates.

Community Benefit

Our community benefit program is a vital part of our vision. It includes proactive community health improvement programs such as subsidized health services and education, and research, as well as free or low-cost care (charity care) for the uninsured and underinsured and the costs of uncompensated care for Medicaid and other government-funded programs. Throughout the year, we collaborate with community partners to identify and respond to unmet needs with tailored community benefit investments designed to improve overall health and well-being.

Building on our commitment to care for those who are poor and vulnerable, we invested $2.1 billion in community benefit programs in the fiscal year ended December 31, 2025, compared with $1.9 billion in the same period in 2024. Our unpaid costs of Medicaid totaled $1.3 billion for the fiscal year ended December 31, 2025, compared with $1.1 billion for the same period in 2024. Additionally, Providence estimated a $913 million shortfall in Medicare reimbursement during fiscal year 2025, compared with $860 million in the same period in 2024, as we continue to deliver care to those most in need.

Providence's community benefit by category presented for the periods indicated:

EXHIBIT 6.1 – COMMUNITY BENEFIT BY CATEGORY $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2024	 12-31-2025
Charity Care Provided	$353	$407
Unpaid Costs of Medicaid	1,131	1,283
Education & Research Programs	174	183
Other Community Benefit	229	222
Total Community Benefit	$1,887	$2,095

Providence Information Security Program

Providence's information security program consists of over 250 full-time employees. The information security team's global reach enables 24/7 coverage of IT risks and real-time defense of Providence's information ecosystem. Providence's cybersecurity program has adopted the National Institute of Standards and Technology Cyber Security Framework as the foundational model for organizing the team's strategy, with policies and standards aligned to a controls-based framework based on NIST 800-53. Standardizing the program on this framework and rooting the program in controls-based policies allows the system to measure cybersecurity maturity and update controls as the IT risk landscape evolves. IT risk is quantified and tracked in the Providence Cyber Performance Goals operational tool, which combines real-time telemetry from enterprise IT and cybersecurity tools with risk-weighted measurements. This approach allows for risk-informed decision-making within the Providence Executive Team and the Providence Board of Directors.

Insurance

Providence has developed insurance programs that provide coverage for various insurable risks utilizing commercial products and self-insurance using a captive insurance company with reinsurance domiciled in Arizona. The program uses benchmarking and insurance, actuarial and finance analytics to guide decisions regarding the types of coverage purchased, the limits or amounts of insurance, and quality of coverage terms. The quality of insurance products is maintained in part by requiring commercial insurers to have an A rating or better from A.M. Best to be on Providence's program. Management reviews strategy at least annually with input from brokers, actuaries, and consultants. Funding of captive insurers conforms to regulatory requirements of the domicile. Furthermore, the captive pays the required Washington State premium tax. The major lines of insurance maintained include property, professional and general liability, directors' and officers' liability, employment practices liability, auto liability, fiduciary liability, cyber liability, workers' compensation and employers' liability, and crime.

Retirement Plans

As described more completely under the caption "Retirement Plans" in Note 8 to the combined audited financial statements included in Exhibit 8, the System currently sponsors defined benefit and defined contribution plans. Although the System had a defined benefit plan in place prior to January 1, 2010, in April 2009, the PH&S Board of Directors approved a freeze of the Providence Core Plan, a cap on the ongoing cash balance interest credit formula, and the implementation of a new defined contribution plan referenced within Note 8, all effective December 31, 2009. In addition to the frozen Core Plan, the System has a frozen Willamette Falls Pension and the Swedish Pension Plan, which is frozen for most caregivers.

The System's remaining unfunded liability with respect to the defined benefit plans increased from approximately 77 percent at December 31, 2024 to 83 percent at December 31, 2025. The increase in the unfunded liability occurred primarily due to a change in the valuation discount rate. The System's contribution to the defined benefit plans was approximately $89 million and $82 million at December 31, 2025 and 2024, respectively.

The System sponsors various defined contribution retirement plans that cover substantially all employees. The plans provide for employer matching contributions in an amount equal to a percentage of employee contributions, up to a maximum amount. Retirement expense related to these plans was $372 million

and $709 million for the fiscal years ended December 31, 2025, and 2024, respectively, and is reflected in salaries and benefit expense in the accompanying combined statements of operations. The decrease is due to recent retirement program changes including the removal of the employer discretionary contribution.

Accreditation and Memberships

Providence's acute care hospital facilities are appropriately licensed by applicable state licensing agencies, certified for Medicare and Medicaid/Medi-Cal reimbursement, and (except Covenant Levelland, Providence Seward Medical Center, and Providence Valdez Medical Center) accredited by The Joint Commission. Providence's five hospitals operated by Swedish Health Services are accredited by DNV. Each long-term care facility or unit is licensed by applicable state licensing agencies and is appropriately certified for Medicare and Medicaid/Medi-Cal reimbursement.

Glossary of Certain Terms

Credit Group:	Obligated Group Members, Designated Affiliates, Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.
Obligated Group or Obligated Group Members:	Obligated Group Members under the Master Indenture and currently:

Providence	Western HealthConnect
PH&S	Kadlec
Providence – Washington	SJHS
Providence – Southern California	St. Joseph Orange
LCMASC	St. Jude
Providence – Saint John's	Mission Hospital
Providence – SJMC Montana	St. Mary
Providence – Montana	SJHNC
Providence – Oregon	CHS
Providence – Western Washington	CMC
Swedish	Covenant Children's
Swedish Edmonds	Covenant Levelland
PacMed	Covenant Plainview

Designated Affiliates:	Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.
Limited Credit Group Participants:	Limited Credit Group Participants under the Master Indenture. There are currently no Limited Credit Group Participants.
Unlimited Credit Group Participants:	Unlimited Credit Group Participants under the Master Indenture. There are currently no Unlimited Credit Group Participants.

CHS:	Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.
CMC:	Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.
Covenant Children's:	Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.
Covenant Levelland:	Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Levelland Hospital.
Covenant Plainview:	Methodist Hospital Plainview, Texas, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.
Kadlec:	Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.
LCMASC:	Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Mission Hospital:	Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
PacMed:	PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.
PH&S:	Providence Health & Services, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence – Montana:	Providence Health & Services – Montana, a Montana nonprofit corporation and currently an Obligated Group Member.
Providence – Oregon:	Providence Health & Services – Oregon, an Oregon nonprofit corporation and currently an Obligated Group Member.

Providence – Saint John's:	Providence Saint John's Health Center, a California nonprofit religious corporation and currently an Obligated Group Member.
Providence – SJMC Montana:	Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.
Providence – Southern California:	Providence Health System – Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.
Providence – Washington:	Providence Health & Services – Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence – Western Washington:	Providence Health & Services – Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence St. Joseph Health, Providence, we, us, our:	Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.
SJHNC:	St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.
SJHS:	St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Joseph Orange:	St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Jude:	St. Jude Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.
St. Mary:	St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Swedish:	Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.
Swedish Edmonds:	Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.
System:	Providence and all entities that are included within the combined financial statements of Providence.
Western HealthConnect:	Western HealthConnect, a Washington nonprofit corporation and currently an Obligated Group Member.

Exhibit 7 – Obligated Group Facilities

Exhibit 7.1
Acute Care Facilities by Region

A list of Providence's acute care facilities in each region as of December 31, 2025, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Alaska				
	Providence Health & Services-Washington	Providence Alaska Medical Center	Anchorage	401
		Providence Kodiak Island Medical Center [1]	Kodiak	25
		Providence Seward Medical and Care Center [2]	Seward	6
		Providence Valdez Medical Center [2]	Valdez	11
Puget Sound Region				
	Swedish Edmonds	Swedish Edmonds [1]	Edmonds	217
		Swedish Medical Center Campuses [3]:		
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
		Swedish First Hill	Seattle	697
	Providence Health & Services-Washington	Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	595
		Providence St. Peter Hospital [4]	Olympia	372
Eastern Washington and Western Montana				
	Providence Health & Services-Washington	Providence St. Joseph's Hospital	Chewelah	25
		Providence Mount Carmel Hospital	Colville	55
		Providence Sacred Heart Medical Center and Children's Hospital	Spokane	691
		Providence Holy Family Hospital	Spokane	197
		Providence St. Mary Medical Center	Walla Walla	142
	Kadlec Regional Medical Center	Kadlec Regional Medical Center	Richland	337
	Providence Health & Services-Montana	St. Patrick Hospital	Missoula (MT)	253
	Providence St. Joseph Medical Center	Providence St. Joseph Medical Center	Polson (MT)	22
Oregon				
	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	120
		Providence Milwaukie Hospital	Milwaukie	77
		Providence Newberg Medical Center	Newberg	40
		Providence Willamette Falls Medical Center	Oregon City	143
		Providence St. Vincent Medical Center	Portland	539
		Providence Portland Medical Center	Portland	483
		Providence Seaside Hospital [1]	Seaside	25

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Northern California				
	St. Joseph Health Northern California, LLC.	Providence St. Joseph Hospital	Eureka	153
		Providence Redwood Memorial Hospital	Fortuna	35
		Providence Queen of the Valley Medical Center	Napa	198
		Providence Santa Rosa Memorial Hospital	Santa Rosa	298
Southern California				
	Providence Health System-Southern California	Providence St. Joseph Medical Center	Burbank	383
		Providence Holy Cross Medical Center	Mission Hills	330
		Providence Little Company of Mary Medical Center San Pedro	San Pedro	183
		Providence Cedars-Sinai Tarzana Medical Center [2]	Tarzana	204
		Providence Little Company of Mary Medical Center Torrance	Torrance	327
	Providence Saint John's Health Center	Providence Saint John's Health Center	Santa Monica	266
	St. Mary Medical Center	St. Mary Medical Center	Apple Valley	213
	St. Jude Medical Hospital	St. Jude Medical Center	Fullerton	320
	Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center Campuses [5]:		504
		Mission Hospital Regional Medical Center	Mission Viejo	
		Mission Hospital Laguna Beach	Laguna Beach	
	St. Joseph Hospital of Orange	St. Joseph Hospital of Orange [6]	Orange	463
West Texas and Eastern New Mexico				
	Methodist Hospital Levelland	Covenant Hospital Levelland [7]	Levelland	48
	Covenant Health System	CHS Campuses:		381
		Covenant Medical Center	Lubbock	
		Covenant Medical Center - Lakeside	Lubbock	
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	212
	Methodist Hospital Plainview	Covenant Hospital Plainview [7]	Plainview	68
TOTAL				**10,869**

* Includes all acute care licensure categories except for normal newborn bassinettes and partial hospitalization psychiatric beds
[1] Leased by an Obligated Group Member
[2] Managed by an Obligated Group Member, but not a member of the Obligated Group.
[3] Four campuses with three licenses
[4] Includes a 50-bed chemical dependency center
[5] Two campuses on one license, including 36 acute care psychiatric beds in Laguna Beach
[6] Includes 37 acute care psychiatric beds
[7] Leased facility and Obligated Group Member

Exhibit 7.2
Long-Term Care Facilities by Region

Providence's principal owned or leased long-term care facilities as of December 31, 2025, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Long-Term Care Beds
Alaska				
	Providence Health & Services-Washington	Providence Kodiak Island Medical Center [1]	Kodiak	22
		Providence Seward Medical and Care Center [1]	Seward	40
		Providence Valdez Medical Center [2]	Valdez	10
Puget Sound Region				
	Providence Health & Services-Washington	Providence Mount St. Vincent	Seattle	215
Oregon				
	Providence Health & Services-Oregon	Providence Child Center	Portland	58
Northern California				
	St. Joseph Health Northern California, LLC.	Providence Santa Rosa Memorial Hospital	Santa Rosa	31
Southern California				
	Providence Health System-Southern California	Providence Holy Cross Medical Center	Mission Hills	48
		Providence Little Company of Mary Subacute Care Center San Pedro	San Pedro	125
		Providence Little Company of Mary Transitional Care Center	Torrance	115
		Providence St. Elizabeth Care Center	North Hollywood	52
West Texas and Eastern New Mexico				
	Covenant Health System	Covenant Long-term Acute Care [2]	Lubbock	56
TOTAL				**772**

[1] Leased by an Obligated Group Member
[2] Managed or owned by an Obligated Group Member, but not a member of the Obligated Group

Exhibit 8 – Supplementary Information

[ATTACHED]

Providence

EXHIBIT 8.1 - SUMMARY AUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended December 31, 2025 (in 000's of dollars)		Ended December 31, 2024 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	$ 24,549,163	23,696,935	23,386,634	22,591,222
Premium Revenues	549,566	513,633	501,884	465,651
Capitation Revenues	1,973,807	776,664	1,940,333	779,323
Other Revenues	2,381,341	2,146,584	2,241,229	1,794,419
Total Operating Revenues	29,453,877	27,133,816	28,070,080	25,630,615
Operating Expenses:				
Salaries and Benefits	15,616,240	13,852,535	15,630,579	13,694,505
Supplies	5,333,874	5,069,144	4,890,544	4,612,939
Purchased Healthcare Services	389,925	604,785	324,798	556,709
Interest, Depreciation, and Amortization	1,202,126	1,117,866	1,199,661	1,079,311
Purchased Services, Professional Fees, and Other	7,044,495	6,009,116	6,387,844	5,585,306
Total Operating Expenses	29,586,660	26,653,446	28,433,426	25,528,770
Excess (Deficit) of Revenues Over Expenses From Operations Before Restructuring Costs and Other	(132,783)	480,370	(363,346)	101,845
Restructuring Costs and Other	353,508	353,508	182,523	182,523
Excess (Deficit) of Revenue over Expenses	(486,291)	126,862	(545,869)	(80,678)
Non-Operating Gains	350,121	261,180	375,447	262,015
Excess (Deficit) of Revenue over Expenses from Continuing Operations	(136,170)	388,042	(170,422)	181,337
Loss from Operations of Discontinued Subsidiaries	(101,899)	-	(60,850)	-
Excess (Deficit) of Revenues Over Expenses	$ (238,069)	388,042	(231,272)	181,337

EXHIBIT 8.2 - SUMMARY AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended December 31, 2025 (in 000's of dollars)		Ended December 31, 2024 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by (Used in) Operating Activities	$ 136,979	200,496	(184,190)	66,475
Net Cash Provided by (Used in) Investing Activities	(1,383,786)	(1,670,931)	510,633	512,650
Net Cash Provided by (Used in) Financing Activities	615,483	783,839	(26,749)	(25,354)
Increase (Decrease) in Cash and Cash Equivalents	(631,324)	(686,596)	299,694	553,771
Cash and Cash Equivalents, Beginning of Period	1,767,662	1,928,577	1,467,968	1,374,806
Cash and Cash Equivalents, End of Period	$ 1,136,338	1,241,981	1,767,662	1,928,577

EXHIBIT 8.3 - SUMMARY AUDITED NET PATIENT SERVICE REVENUE PAYOR MIX

	Ended December 31, 2025		Ended December 31, 2024	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	50%	50%	48%	49%
Medicare	32%	33%	33%	33%
Medicaid	17%	17%	17%	17%
Self-pay and Other	1%	0%	2%	1%

Providence

EXHIBIT 8.4 - SUMMARY AUDITED COMBINED BALANCE SHEETS

	As of December 31, 2025 (in 000's of dollars)		As of December 31, 2024 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	$ 1,136,338	1,241,981	1,767,662	1,928,577
Short-Term Investments	1,423,244	1,314,441	696,854	600,116
Accounts Receivable, Net	3,496,713	3,431,960	3,513,480	3,482,197
Supplies Inventory	337,318	324,824	343,106	329,082
Other Current Assets	2,416,020	1,801,074	2,151,316	1,533,378
Current Portion of Assets Whose Use is Limited	89,839	89,839	76,814	76,814
Total Current Assets	8,899,472	8,204,119	8,549,232	7,950,164
Management Designated Cash and Investments	5,874,453	2,963,201	5,700,329	2,600,127
Assets Whose Use is Limited	868,607	757,310	874,890	772,540
Property, Plant, and Equipment, Net	9,455,093	8,757,572	9,233,477	8,510,273
Operating Lease Right-of-Use Assets	1,048,341	701,458	1,092,346	719,362
Other Assets	3,005,417	4,294,527	2,580,869	3,777,457
Total Assets	$ 29,151,383	25,678,187	28,031,143	24,329,923
Current Liabilities:				
Current Portion of Long-Term Debt	136,897	122,803	184,428	169,260
Master Trust Debt Classified as Short-Term	620,640	620,640	494,215	494,215
Accounts Payable	1,851,276	1,654,454	1,604,380	1,425,065
Accrued Compensation	1,693,019	1,570,745	1,676,519	1,555,454
Current Portion of Operating Lease Right-of-Use	198,578	139,098	195,907	134,495
Other Current Liabilities	2,707,511	1,901,283	2,246,081	1,417,027
Total Current Liabilities	7,207,921	6,009,023	6,401,530	5,195,516
Long-Term Debt, Net of Current Portion	478,177	641,533	520,768	328,174
Master Trust Debt Classified as Long-Term	7,328,936	7,328,936	6,973,853	6,973,853
Pension Benefit Obligation	351,854	351,854	519,327	519,327
Long-Term Operating Lease Right-of-Use, net of Current Portion	961,354	648,828	1,012,614	669,628
Other Liabilities	2,006,299	1,345,665	1,861,813	1,247,674
Total Liabilities	$ 18,334,541	16,325,839	17,289,905	14,934,172
Net Assets:				
Controlling Interests	9,093,107	7,983,177	9,171,671	8,125,426
Noncontrolling Interests	157,989	232	142,030	232
Net Assets Without Donor Restrictions	9,251,096	7,983,409	9,313,701	8,125,658
Net Assets With Donor Restrictions	1,565,746	1,368,939	1,427,537	1,270,093
Total Net Assets	10,816,842	9,352,348	10,741,238	9,395,751
Total Liabilities and Net Assets	$ 29,151,383	25,678,187	28,031,143	24,329,923

Providence

EXHIBIT 8.5 - KEY PERFORMANCE METRICS

	Ended December 31, 2025		Ended December 31, 2024	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	464,023	457,843	444,542	438,706
Acute Patient Days	2,399,881	2,351,004	2,387,577	2,340,440
Acute Outpatient Visits	12,638,062	11,906,616	12,759,600	11,988,114
Primary Care Visits	15,715,137	9,268,941	15,069,311	8,643,338
Inpatient Surgeries and Procedures	200,628	199,633	193,438	192,521
Outpatient Surgeries and Procedures	532,727	378,885	509,947	363,078
Long-Term Care Admissions	2,816	2,664	4,695	4,541
Long-Term Care Patient Days	204,110	194,283	361,218	351,025
Home Health Visits	759,697	503,883	1,144,645	783,855
Hospice Days	554,716	263,897	982,912	525,885
Housing and Assisted Living Days	618,101	290,902	336,212	255,254
Acute Average Daily Census	6,575	6,441	6,523	6,395
Acute Licensed Beds	11,021	10,648	11,012	10,671
FTEs	102,987	89,726	107,153	94,669
Historical Debt Service Coverage Ratio	n/a	5.45	n/a	4.59

Providence

EXHIBIT 8.6 - SUMMARY AUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

Ended December 31, 2025

(in 000's of dollars)

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Operating Revenues:									
Net Patient Service Revenues	$ 1,119,275	6,313,858	4,131,678	5,051,076	1,830,953	6,040,756	1,530,925	(1,469,358)	24,549,163
Premium Revenues	-	201,746	-	306,899	10,046	30,685	-	190	549,566
Capitation Revenues	-	184,732	-	50,138	115,485	1,623,451	-	1	1,973,807
Other Revenues	75,477	407,224	252,497	534,580	73,934	415,374	86,634	535,621	2,381,341
Total Operating Revenues	1,194,752	7,107,560	4,384,175	5,942,693	2,030,418	8,110,266	1,617,559	(933,546)	29,453,877
Operating Expenses:									
Salaries and Benefits	534,330	3,677,600	2,282,366	3,016,651	921,666	3,337,928	724,966	1,120,733	15,616,240
Supplies	155,988	1,218,341	752,325	1,513,673	284,431	1,149,344	290,496	(30,724)	5,333,874
Purchased Healthcare Services	3	243,503	244	135,009	69,534	819,750	-	(878,118)	389,925
Interest, Depreciation, and Amortization	39,271	200,191	96,728	100,138	62,899	253,328	75,678	373,893	1,202,126
Purchased Services, Professional Fees, and Other	335,195	1,940,214	1,255,303	1,489,706	746,324	2,857,167	476,701	(2,056,115)	7,044,495
Total Operating Expenses	1,064,787	7,279,849	4,386,966	6,255,177	2,084,854	8,417,517	1,567,841	(1,470,331)	29,586,660
Excess (Deficit) of Revenues Over Expenses From Operations Before Restructuring Costs and Other	129,965	(172,289)	(2,791)	(312,484)	(54,436)	(307,251)	49,718	536,785	(132,783)
Restructuring Costs and Other	-	-	-	-	-	-	-	353,508	353,508
Excess (Deficit) of Revenues Over Expenses From Operations	129,965	(172,289)	(2,791)	(312,484)	(54,436)	(307,251)	49,718	183,277	(486,291)
Non-Operating Gains	109,119	17,575	34,037	74,279	13,968	60,427	29,123	11,593	350,121
Excess (Deficit) of Revenues Over Expenses From Continuing Operations	239,084	(154,714)	31,246	(238,205)	(40,468)	(246,824)	78,841	194,870	(136,170)
Loss from Operations of Discontinued Subsidiaries	-	-	-	-	-	-	-	(101,899)	(101,899)
Excess (Deficit) of Revenues Over Expenses	$ 239,084	(154,714)	31,246	(238,205)	(40,468)	(246,824)	78,841	92,971	(238,069)

Providence

EXHIBIT 8.7 - SUMMARY AUDITED COMBINING BALANCE SHEETS BY REGION

As of December 31, 2025

(in 000's of dollars)

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Current Assets:									
Cash and Cash Equivalents	$ 941,362	60,001	1,467,801	1,425,560	(222,207)	(2,282,807)	(160,899)	(92,473)	1,136,338
Short-Term Investments	632	-	-	-	-	21,330	47,036	1,354,246	1,423,244
Accounts Receivable, Net	205,933	875,850	536,433	723,031	234,861	840,406	275,935	(195,736)	3,496,713
Supplies Inventory	14,483	65,364	40,479	73,736	26,903	91,274	19,005	6,074	337,318
Other Current Assets	29,358	152,398	85,380	180,073	301,224	951,748	95,110	620,729	2,416,020
Current Portion of Assets Whose Use is Limited	-	-	-	-	-	-	-	89,839	89,839
Total Current Assets	1,191,768	1,153,613	2,130,093	2,402,400	340,781	(378,049)	276,187	1,782,679	8,899,472
Management Designated Cash and Investments	1,272,254	446,463	416,150	921,135	185,606	810,871	331,655	1,490,319	5,874,453
Assets Whose Use is Limited	463	26,702	3,853	34,323	8,699	27,250	11,806	755,511	868,607
Property, Plant, and Equipment, Net	340,156	2,433,826	842,457	994,018	673,835	2,420,815	828,360	921,626	9,455,093
Operating Lease Right-of-Use Assets	18,099	322,831	83,562	112,769	29,139	392,795	60,783	28,363	1,048,341
Other Assets	39,516	263,976	260,574	68,811	21,684	978,804	73,529	1,298,523	3,005,417
Total Assets	$ 2,862,256	4,647,411	3,736,689	4,533,456	1,259,744	4,252,486	1,582,320	6,277,021	29,151,383
Current Liabilities:									
Current Portion of Long-Term Debt	4,113	36,975	24,098	3,861	4,964	22,333	8,172	32,381	136,897
Master Trust Debt Classified as Short-Term	12,390	9,140	36,780	13,870	5,043	31,238	-	512,179	620,640
Accounts Payable	50,988	358,971	162,214	259,139	93,563	414,262	80,679	431,460	1,851,276
Accrued Compensation	21,247	159,528	123,962	102,914	53,360	157,436	31,817	1,042,755	1,693,019
Current Portion of Operating Lease Right-of-Use	4,119	58,269	21,467	17,553	6,329	76,791	7,550	6,500	198,578
Other Current Liabilities	5,723	148,820	57,074	108,512	154,421	656,590	166,789	1,409,582	2,707,511
Total Current Liabilities	98,580	771,703	425,595	505,849	317,680	1,358,650	295,007	3,434,857	7,207,921
Long-Term Debt, Net of Current Portion	40,163	175,935	17,728	7,801	471	387,727	213,281	(364,929)	478,177
Master Trust Debt Classified as Long-Term	91,462	1,615,176	459,425	71,070	285,340	1,175,824	199,408	3,431,231	7,328,936
Pension Benefit Obligation	-	45,935	-	(2,881)	-	-	-	308,800	351,854
Long-Term Operating Lease Right-of-Use, net of Current Portion	14,987	304,643	65,046	110,627	23,662	370,262	51,211	20,916	961,354
Other Liabilities	23,408	142,612	46,682	11,956	13,810	138,380	75,161	1,554,290	2,006,299
Total Liabilities	$ 268,600	3,056,004	1,014,476	704,422	640,963	3,430,843	834,068	8,385,165	18,334,541
Net Assets:									
Controlling Interests	2,540,700	1,343,740	2,608,052	3,445,151	508,391	132,763	661,267	(2,146,957)	9,093,107
Noncontrolling Interests	14,434	2,080	13,984	215	-	76,416	41,798	9,062	157,989
Net Assets Without Donor Restrictions	2,555,134	1,345,820	2,622,036	3,445,366	508,391	209,179	703,065	(2,137,895)	9,251,096
Net Assets With Donor Restrictions	38,522	245,587	100,177	383,668	110,390	612,464	45,187	29,751	1,565,746
Total Net Assets	2,593,656	1,591,407	2,722,213	3,829,034	618,781	821,643	748,252	(2,108,144)	10,816,842
Total Liabilities and Net Assets	$ 2,862,256	4,647,411	3,736,689	4,533,456	1,259,744	4,252,486	1,582,320	6,277,021	29,151,383

Providence

EXHIBIT 8.8 - KEY PERFORMANCE METRICS BY REGION

	Ended December 31, 2025							
	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	17,761	107,266	71,744	72,160	28,133	136,786	30,173	464,023
Acute Patient Days	125,571	589,794	394,161	368,446	130,688	637,723	153,498	2,399,881
Acute Outpatient Visits	491,147	2,533,428	1,944,184	2,310,108	961,767	3,417,016	980,412	12,638,062
Primary Care Visits	205,572	3,585,872	3,128,526	2,447,171	1,020,957	4,264,690	1,030,220	15,715,137
Inpatient Surgeries and Procedures	9,177	48,755	34,401	27,876	11,413	57,152	11,854	200,628
Outpatient Surgeries and Procedures	12,742	94,747	84,234	159,976	29,376	123,519	28,133	532,727
Long-Term Care Admissions	23	810	95	140	3	1,596	149	2,816
Long-Term Care Patient Days	10,262	84,644	5,704	14,899	5,610	78,774	4,217	204,110
Home Health Visits	10,319	112,925	2,539	302,510	42,869	288,535	n/a	759,697
Hospice Days	7,418	91,557	n/a	164,920	88,072	180,102	22,647	554,716
Housing and Assisted Living Days	24,672	355,512	33,641	156,543	27,260	20,473	n/a	618,101
Average Daily Census	344	1,616	1,080	1,009	358	1,747	421	6,575
Acute Licensed Beds	482	2,666	1,824	1,452	807	2,989	801	11,021
FTEs	3,659	21,874	14,576	16,995	5,131	22,483	6,011	102,987

PROVIDENCE ST. JOSEPH HEALTH

Combined Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2800
401 Union Street
Seattle, WA 98101

Independent Auditors' Report

The Board of Directors
Providence St. Joseph Health:

Opinion

We have audited the combined financial statements of Providence St. Joseph Health(the Health System), which comprise the combined balance sheets as of December 31, 2025 and 2024, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Health System as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Health System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- 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 Health System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Obligated Group Combining Balance Sheets and Statements of Operations Information included on pages 35 and 36 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

KPMG LLP

Seattle, Washington
March 26, 2026

PROVIDENCE ST. JOSEPH HEALTH

Combined Balance Sheets

December 31, 2025 and 2024
(In millions of dollars)

Assets		2025	2024
Current assets:			
Cash and cash equivalents	$	1,136	1,768
Accounts receivable		3,497	3,513
Supplies inventory		337	343
Other current assets		2,416	2,151
Current portion of assets whose use is limited		1,513	774
Total current assets		8,899	8,549
Assets whose use is limited		6,743	6,575
Property, plant, and equipment, net		9,455	9,233
Operating lease right-of-use assets		1,048	1,092
Other assets		3,006	2,582
Total assets	$	29,151	28,031
Liabilities and Net Assets			
Current liabilities:			
Current portion of long-term debt	$	137	184
Master trust debt classified as short-term		621	494
Accounts payable		1,851	1,604
Accrued compensation		1,693	1,677
Current portion of operating lease liabilities		199	196
Other current liabilities		2,707	2,247
Total current liabilities		7,208	6,402
Long-term debt, net of current portion		7,807	7,495
Pension benefit obligation		352	519
Long-term operating lease liabilities, net of current portion		961	1,013
Other liabilities		2,006	1,861
Total liabilities		18,334	17,290
Net assets:			
Controlling interests		9,093	9,172
Noncontrolling interests		158	142
Net assets without donor restrictions		9,251	9,314
Net assets with donor restrictions		1,566	1,427
Total net assets		10,817	10,741
Total liabilities and net assets	$	29,151	28,031

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Operations

Years ended December 31, 2025 and 2024

(In millions of dollars)

	2025	2024
Operating revenues:		
Net patient service revenues	$ 24,549	23,387
Premium revenues	550	502
Capitation revenues	1,974	1,940
Other revenues	2,381	2,241
Total operating revenues	29,454	28,070
Operating expenses:		
Salaries and benefits	15,616	15,630
Supplies	5,334	4,890
Purchased healthcare services	390	325
Interest, depreciation, and amortization	1,202	1,200
Purchased services, professional fees, and other	7,044	6,388
Total operating expenses	29,586	28,433
Deficit of revenue over expenses from operations before restructuring costs and other	(132)	(363)
Restructuring costs and other	354	183
Deficit of revenue over expenses from operations	(486)	(546)
Net nonoperating gains (losses):		
Investment income, net	430	451
Other	(80)	(75)
Total net nonoperating gains	350	376
Deficit of revenues over expenses from continuing operations	(136)	(170)
Loss from operations of discontinued subsidiaries	(102)	(61)
Deficit of revenues over expenses	$ (238)	(231)

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Changes in Net Assets

Years ended December 31, 2025 and 2024

(In millions of dollars)

	Without donor restrictions			
	Controlling interests	Noncontrolling interests	With donor restrictions	Total net assets
Balance, December 31, 2023	$ 9,340	145	1,504	10,989
(Deficit) excess of revenues over expenses	(254)	23	—	(231)
Contributions, grants, and other	(14)	(26)	142	102
Net assets released from restriction	—	—	(219)	(219)
Pension related changes	100	—	—	100
Change in net assets	(168)	(3)	(77)	(248)
Balance, December 31, 2024	9,172	142	1,427	10,741
(Deficit) excess of revenues over expenses	(265)	27	—	(238)
Contributions, grants, and other	104	(11)	322	415
Net assets released from restriction	—	—	(183)	(183)
Pension related changes	82	—	—	82
Change in net assets	(79)	16	139	76
Balance, December 31, 2025	$ 9,093	158	1,566	10,817

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Cash Flows

Years ended December 31, 2025 and 2024

(In millions of dollars)

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 76	(248)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	886	864
Gain on disaffiliation activities	(446)	(426)
Change in non-controlling interest due to joint venture activities	—	(9)
Restricted contributions and investment income received	(251)	(142)
Net realized and unrealized gains on investments	(337)	(294)
Changes in certain current assets and liabilities	445	(25)
Change in certain long-term assets and liabilities	(236)	96
Net cash provided by (used in) operating activities	137	(184)
Cash flows from investing activities:		
Property, plant, and equipment additions	(1,090)	(858)
Purchases of alternative investments, commingled funds, and trading securities	(10,461)	(9,523)
Proceeds from sales of alternative investments, commingled funds, and trading securities	9,917	10,224
Net cash received through affiliation and divestiture activities	249	554
Proceeds from sales of warrants	—	46
Other investing activities	1	68
Net cash (used in) provided by investing activities	(1,384)	511
Cash flows from financing activities:		
Proceeds from restricted contributions and restricted income	251	142
Debt borrowings	2,138	337
Debt payments	(1,768)	(515)
Other financing activities	(6)	9
Net cash provided by (used in) financing activities	615	(27)
(Decrease) increase in cash and cash equivalents	(632)	300
Cash and cash equivalents, beginning of year	1,768	1,468
Cash and cash equivalents, end of year	$ 1,136	1,768
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 323	342

See accompanying notes to combined financial statements.

(1) Basis of Presentation and Significant Accounting Policies

(a) Reporting Entity

Providence St. Joseph Health (the Health System), a Washington nonprofit corporation, is the sole corporate member of Providence Health & Services (PHS) and the St. Joseph Health System (SJHS). PHS, a Washington nonprofit corporation, is a Catholic healthcare system sponsored by the public juridic person, Providence Ministries. SJHS, a California nonprofit public benefit corporation, is a Catholic healthcare system sponsored by the public juridic person, St. Joseph Health Ministry.

The Health System seeks to improve the health of the communities it serves, especially the poor and vulnerable. The Health System operations include 51 hospitals and a comprehensive range of services provided across Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. The Health System also provides population health management through various affiliated licensed insurers and other risk-bearing entities.

The Health System has been recognized as exempt from federal income taxes, except on unrelated business income, under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) and further described as a public charitable organization under Section 509(a)(3). PHS, SJHS, and substantially all of the corporations within the Health System have been granted exemptions from federal income tax under Section 501(a) of the Internal Revenue Code as charitable organizations described in Section 501(c)(3).

(b) Basis of Presentation

The accompanying combined financial statements of the Health System were prepared in accordance with U.S. generally accepted accounting principles and include the assets, liabilities, revenues, and expenses of all wholly owned affiliates, majority-owned affiliates over which the Health System exercises control, and, when applicable, entities in which the Health System has a controlling financial interest. Intercompany balances and transactions have been eliminated in combination.

(c) Performance Indicator

The performance indicator is the deficit of revenues over expenses. Changes in net assets without restrictions that are excluded from the performance indicator include net assets released from restriction for the purchase of property, plant, and equipment, certain changes in funded status of pension and other postretirement benefit plans, net changes in noncontrolling interests in combined joint ventures, and certain other activities.

(d) Operating and Nonoperating Activities

The Health System’s primary mission is to meet the healthcare needs in its market areas through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, physician services, long-term care, population health management, and other healthcare and health insurance services. Activities directly associated with the furtherance of this mission are considered to be operating activities. Other activities that result in gains or losses peripheral to the Health System’s primary mission are considered to be nonoperating. Nonoperating activities include investment earnings, gains or losses from debt extinguishment, gains or losses from disaffiliation

(In millions of dollars)

activity, certain pension related costs, gains or losses on interest rate swaps, and certain other activities.

(e) Use of Estimates and Assumptions

The preparation of the combined financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions are used for, but not limited to: (1) patient revenue recognition; (2) fair value of acquired assets and assumed liabilities in business combinations; (3) fair value of investments; (4) reserves for self-insured healthcare plans; and (5) reserves for professional, workers' compensation, and general insurance liability risks.

The accounting estimates used in the preparation of the combined financial statements will change as new events occur, additional information is obtained, or the operating environment changes. Assumptions and the related estimates are updated on an ongoing basis, and external experts may be employed to assist in the evaluation, as considered necessary. Actual results could materially differ from those estimates.

(f) Restructuring and Other

Restructuring costs were recorded during the years ended December 31, 2025 and 2024. The amounts were comprised primarily of asset rationalization and employee reductions, and other items related to restructuring initiatives.

(g) Held for Sale and Discontinued Operations

In December 2025, the Health System approved a plan to sell assets within the Providence Health Group, LLC subsidiaries (the Disposal Group). The Disposal Group meets the criteria for classification as held for sale and discontinued operations. The Health System expects the sale to be completed in 2026, pending regulatory approval.

The Disposal Group was measured at the lower of carrying amount or fair value less costs to sell. No impairment was recognized. The following table summarizes the total carrying amount of the assets and liabilities of the subsidiaries held for sale as of December 31, 2025. The major assets consist of cash, receivables, investments, and property, plant, and equipment. The major liabilities are related to medical claims.

Current assets	$	363
Long-term assets		280
Total assets	$	643
Current liabilities	$	454
Long-term liabilities		1
Total liabilities	$	455

(Continued)

(In millions of dollars)

For the years ended December 31, 2025 and 2024, net cash used in operating activities was $109 and $73, respectively. Net cash provided by investing activities was $75 for both years ended December 31, 2025 and 2024.

The 2025 and 2024 operating results of the subsidiaries held for sale are shown within discontinued operations on the combined statements of operations. The combined statements of operations remove the results of operations of the Disposal Group from the individual line items and are presented as one line item under loss from operations of discontinued subsidiaries. The reconciliation of loss from operations of discontinued subsidiaries are as follows for the years ended December 31:

		2025	2024
Operating revenues:			
Premium revenues	$	2,594	2,484
Other revenues		92	145
Total operating revenues		2,686	2,629
Operating expenses:			
Salaries and benefits		233	245
Supplies		1	2
Purchased healthcare services		2,425	2,250
Interest, depreciation, and amortization		11	10
Purchased services, professional fees, and other		189	220
Total operating expenses		2,859	2,727
Loss from operations		(173)	(98)
Net nonoperating gains (losses):			
Investment income, net		71	37
Total net nonoperating gains		71	37
Loss from operations of discontinued subsidiaries	$	(102)	(61)

(h) Joint Venture

In October 2024, the Health System announced a new joint venture with Compassus for home health hospice, community-based palliative care and private duty caregiving services. The new entity is called Providence at Home with Compassus. In Lubbock, Texas, the Covenant Health hospice program that is part of the Providence family of organizations will be rebranded as Covenant Health at Home with Compassus. Under the agreement, Compassus will manage operations for the joint venture, which will include 24 home health locations in Alaska, California, Oregon and Washington, and 17 hospice and palliative care locations in Alaska, California, Oregon, Texas and Washington. The joint venture also includes private duty services in Southern California. In March 2025, the joint venture was finalized in Alaska, Texas and Washington. California ministries transferred to the joint venture in October 2025

and Oregon ministries are expected to be transferred in the first half of 2026. As a result of this joint venture, the Health System has recognized a gain of $317 in 2025, which is included in other revenues in the combined statement of operations.

(i) Sales of Subsidiaries

Effective December 30, 2025, the Health System completed the sale of its clinical engineering department to Trimedx Holdings, LLC. At closing, a net gain was reported within operating income, consistent with the treatment of similar disposals.

The Health System completed the sale of its Acclara and Advata subsidiaries to R1 RCM ("R1") effective January 17, 2024 for cash of $575 and a warrant valued at $55 to purchase up to 12.2 million shares of R1 stock at an exercise price of $10.52, subject to a three-year lock-up period. Upon closing of the transaction in January 2024, the Health System recorded a gain of approximately $371, which is included in other revenues in the combined statement of operations. The Health System entered into a 10-year agreement for comprehensive revenue cycle services from Acclara that remains in progress. In November 2024, R1 sold all outstanding common shares, and the Health System received $46 for its warrants.

(j) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original or remaining maturity of three months or less when acquired. The Health System maintains cash balances above Federal Deposit Insurance Corporation limits.

(k) Supplies Inventory

Supplies inventory is stated at the lower of cost (first-in, first-out) or market.

(l) Investments Including Assets Whose Use Is Limited

The Health System has classified all of its investments as trading securities. These investments are reported on the combined balance sheets at fair value on a trade-date basis.

Assets whose use is limited primarily include assets held by trustees under indenture agreements and designated assets set aside by management of the Health System for future capital improvements and other purposes, over which management retains control. Assets whose use is limited also include funds held for self-insurance purposes, health plan medical claims payments and other statutory reserve requirements, as well as assets held by related foundations. Temporary cash held by fund managers is considered investing activity for cash flow purposes.

(m) Liquidity

Cash and cash equivalents and accounts receivable are the primary liquid resources used by the Health System to meet expected expenditure needs within the next year. The Health System has credit facility programs, as described in Note 7, available to meet unanticipated liquidity needs. Although intended to satisfy long-term obligations, management estimates that approximately 46% and 41% of noncurrent investments, as stated at December 31, 2025 and 2024, respectively, could be utilized within the next year, if needed.

(In millions of dollars)

(n) Derivative Instruments

The Health System allows certain investment managers to use derivative financial instruments (futures and forward currency contracts) to manage market risk related to the Health System's equity, fixed-income, and commodities holdings.

(o) Net Assets

Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. Amounts related to the Health System's noncontrolling interests in certain joint ventures are included in net assets without donor restrictions.

Net assets with donor restrictions are those whose use by the Health System has been limited by donors to a specific time period, in perpetuity, and/or purpose.

Net assets with donor restrictions are available for the following purposes as of December 31:

		2025	2024
Program support	$	1,247	1,162
Capital acquisition		222	177
Low-income housing and other		97	88
Total net assets with donor restrictions	$	1,566	1,427

(p) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Health System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the promise to give is no longer conditional. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the terms of a donor restriction are met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as other operating revenues in the combined statements of operations or as net assets released from restriction in the combined statements of changes in net assets.

(q) Charity Care and Community Benefit

The Health System provides community benefit activities that address significant health priorities within its geographic service areas. These activities include uncompensated Medicaid and Medicare shortfalls, community health services, education and research, and free and low-cost care (charity care).

Charity care is reported at estimated cost and is determined by multiplying the charges incurred at established rates for services rendered by the Health System's cost-to-charge ratio. The estimated cost of charity care and other community benefit provided by the Health System for the years ended December 31, 2025 and 2024 was $2,095 and $1,887, respectively, including uncompensated

(Continued)

Medicaid totaling $1,283 and $1,131, respectively. The Health System's estimated Medicare shortfalls were $913 and $860 for the years ended December 31, 2025 and 2024, respectively.

(r) Subsequent Events

The Health System has performed an evaluation of subsequent events through March 26, 2026, the date the accompanying combined financial statements were issued.

(s) Reclassifications

Certain reclassifications, which have no impact on net assets, results of operations, or changes in net assets, have been made to prior year amounts to conform to the current year presentation.

(2) Revenue Recognition

(a) Net Patient Service Revenues

The Health System has agreements with governmental and other third-party payors that provide for payments to the Health System at amounts different from established charges. Payment arrangements for major third-party payors may be based on prospectively determined rates, reimbursed cost, discounted charges, per diem payments, or other methods.

Net patient service revenues are recognized at the time services are provided to patients. Revenue is recorded in the amount that the Health System expects to collect, which may include variable components. Variable consideration is included in the transaction price to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Adjustments from finalization of prior years' cost reports and other third-party settlement estimates resulted in an increase in net patient service revenues of $8 and $33 for the years ended December 31, 2025 and 2024, respectively.

Various states in which the Health System operates have instituted a provider tax on certain patient service revenues at qualifying hospitals to increase funding from other sources and obtain additional federal funds to support increased payments to providers of Medicaid services. The taxes are included in purchased services, professional fees, and other expenses in the accompanying combined statements of operations and were $993 and $887 for the years ended December 31, 2025 and 2024, respectively. These programs resulted in enhanced payments from these states in the way of lump-sum payments and per claim increases. These enhanced payments are included in net patient service revenues in the accompanying combined statements of operations and were $1,419 and $1,315 for the years ended December 31, 2025 and 2024, respectively.

(b) Premium and Capitation Revenues

Premium and capitation revenues are received on a prepaid basis and are recognized as revenue ratably over the period for which the enrolled member is entitled to healthcare services. The timing of the Health System's performance may differ from the timing of the payment received, which may result in the recognition of a contract asset or a contract liability. The balance of contract liabilities was $27

(In millions of dollars)

and $32 as of December 31, 2025 and 2024, respectively, and is included in other current liabilities in the combined balance sheets. The Health System has no material contract assets.

(c) Disaggregation of Revenue

The Health System earns the majority of its revenues from contracts with customers. Revenues and adjustments not related to contracts with customers are included in other revenue.

Other revenues are comprised primarily of point of sale for retail pharmacy, cafeteria, grant revenue, and sale of subsidiaries and are recognized in accordance with contract terms.

Operating revenues from contracts with customers by state are as follows for the years ended December 31:

		2025	2024
Alaska	$	1,119	1,063
Washington		9,879	9,302
Montana		621	569
Oregon		4,262	4,254
California		9,661	9,221
Texas/New Mexico		1,531	1,420
Total revenues from contracts with customers		27,073	25,829
Other revenues		2,381	2,241
Total operating revenues	$	29,454	28,070

Operating revenues from contracts with customers by line of business are as follows for the years ended December 31:

		2025	2024
Hospitals	$	20,360	19,179
Accountable care		707	659
Physician and outpatient activities		3,754	3,520
Long-term care, home care, and hospice		1,373	1,625
Other		879	846
Total revenues from contracts with customers		27,073	25,829
Other revenues		2,381	2,241
Total operating revenues	$	29,454	28,070

(Continued)

(In millions of dollars)

Operating revenues from contracts with customers by payor are as follows for the years ended December 31:

		2025	2024
Commercial	$	12,983	11,942
Medicare		8,822	8,690
Medicaid		4,466	4,306
Self-pay and other		802	891
Total revenues from contracts with customers		27,073	25,829
Other revenues		2,381	2,241
Total operating revenues	$	29,454	28,070

(3) Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs include quoted prices (unadjusted) in active markets for identical assets or liabilities that the Health System has the ability to access at the measurement date.
- Level 2 inputs include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

(a) Assets Whose Use Is Limited

The fair value of assets whose use is limited, other than those investments measured using net asset value per share (NAV) as a practical expedient for fair value, is estimated using quoted market prices or other observable inputs when quoted market prices are unavailable.

(In millions of dollars)

The composition of assets whose use is limited is set forth in the following tables:

	December 31, 2025	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 2,029	2,029	—	—
Equity securities:				
Domestic	817	817	—	—
Foreign	289	289	—	—
Domestic debt securities:				
State and federal government	1,286	744	542	—
Corporate	475	14	461	—
Other	647	351	296	—
Foreign debt securities	174	3	171	—
Other	28	14	14	—
Investments measured using NAV	1,552			
Total management-designated cash and investments	7,297			
Gift annuities, trusts, and other	531	63	16	452
Funds held by trustee:				
Cash and cash equivalents	39	39	—	—
Domestic debt securities				
State and federal government	227	200	27	—
Corporate	100	—	100	—
Other	35	—	35	—
Foreign debt securities	27	—	27	—
Total funds held by trustee	428			
Total assets whose use is limited	$ 8,256			

(Continued)

(In millions of dollars)

	December 31, 2024	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 715	715	—	—
Equity securities:				
Domestic	805	805	—	—
Foreign	250	250	—	—
Domestic debt securities:				
State and federal government	1,384	734	650	—
Corporate	491	14	477	—
Other	673	348	325	—
Foreign debt securities	219	3	216	—
Other	29	11	18	—
Investments measured using NAV	1,831			
Total management-designated cash and investments	6,397			
Gift annuities, trusts, and other	544	61	14	469
Funds held by trustee:				
Cash and cash equivalents	48	48	—	—
Domestic debt securities				
State and federal government	208	178	30	—
Corporate	84	—	84	—
Other	41	—	41	—
Foreign debt securities	27	—	27	—
Total funds held by trustee	408			
Total assets whose use is limited	$ 7,349			

The Health System participates in various funds that are not actively marketed on an open exchange. These investments consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Due to the nature of these funds, the NAV per share, or its equivalent, reported by each fund manager is used as a practical expedient to estimate the fair value of the Health System's interest therein. Management believes that the carrying amounts of these financial instruments, provided by the fund managers, are reasonable estimates of fair value.

(Continued)

(In millions of dollars)

The following table presents information, including unfunded commitments for investments where the NAV was used to estimate the value of the investments as of December 31:

	2025	2024	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds:	$ 364	466	2	Annually, semi-annually, monthly, quarterly, or not applicable	5–95 days
Private equity	788	962	210	Not applicable	Not applicable
Private debt	77	77	60	Not applicable	Not applicable
Private real estate	218	229	105	Not applicable	Not applicable
Private real assets	79	75	25	Annually, quarterly, or not applicable	90 days or not applicable
Commingled	26	22	—	Monthly, weekly, or not applicable	3–5 days
Total	$ 1,552	1,831	402		

The following is a summary of the nature of these investments and their associated risks:

Hedge funds are portfolios of investments that use advanced investment strategies, such as long/short equity, credit, relative value, global macro, and fund of hedge funds positions in both domestic and international markets, with the goal of diversifying portfolio risk and generating return. The Health System's investments in hedge funds include certain funds with provisions that limit the Health System's ability to access assets invested. These provisions include lock-up terms that range up to three years from the subscription date or are continuous and determined as a percent of total assets invested. The Health System is in various stages of the lock-up periods dependent on hedge fund and period of initial investments.

Private assets funds make opportunistic investments that are primarily private in nature. These investments cannot be redeemed by the Health System; rather the Health System has committed an amount to invest in the private funds over the respective commitment periods. After the commitment period has ended, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets.

Commingled describes a type of fund structure. Commingled funds consist of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment.

(b) Unsettled Transactions

Investment sales and purchases initiated prior to and settled subsequent to the combined balance sheet date result in amounts due from and to brokers. As of December 31, 2025, the Health System recorded a receivable of $18 for investments sold but not settled and a payable of $64 for investments purchased but not settled in other current assets and other current liabilities, respectively, in the accompanying combined balance sheets. As of December 31, 2024, the Health System recorded a payable of $19 for investments purchased but not settled in other current liabilities in the accompanying combined balance sheets.

(In millions of dollars)

(c) Derivative Instruments

The investment managers have executed master netting arrangements with the counterparties of the futures and forward currency purchase and sale contracts whereby the financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table summarizes the gross notional value of derivative contracts outstanding as of December 31, 2025 and 2024. The gross notional values give an indication of the volume of the Health System's derivative activities and significantly exceed the fair value of the derivative instruments.

		2025	2024
Futures contracts	$	845	1,106
Foreign currency forwards and other contracts		453	526
Total gross notional value	$	1,298	1,632

The fair value of derivative contracts in an asset position was $6 for both years as of December 31, 2025 and 2024. The fair value of derivatives contracts in a liability position was $2 and $6 as of December 31, 2025 and 2024, respectively. These fair market value are included in assets whose use is limited in the combined balance sheets.

The Health System also uses short-term forward purchase and sale commitments of mortgage-backed and certain other assets. The total notional derivative amount of such contracts traded but not yet settled purchased and sold was $198 and $35, respectively, as of December 31, 2025. The total notional derivative amount of such contracts traded but not yet settled purchased and sold was $135 and $11, respectively, as of December 31, 2024. These meet the definition of a derivative instrument in cases where physical delivery of the assets is not taken at the earliest available delivery date.

(d) Investment Income, Net

		2025	2024
Interest and dividend income	$	136	158
Net realized gains on sale of trading securities		256	352
Change in net unrealized gains (losses) on trading securities		38	(59)
Investment income, net	$	430	451

(e) Assets Measured Using Significant Unobservable Inputs

Level 3 assets include charitable remainder trusts. The fair values of these trusts were estimated using an income approach.

(In millions of dollars)

(4) Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost. Improvements and replacements of plant and equipment are capitalized, and maintenance and repairs are expensed. The provision for depreciation is determined by the straight-line method, which allocates the cost of tangible property equally over its estimated useful life or lease term. Impairment of property, plant, and equipment is assessed when there is evidence that events or changes in circumstances have made recovery of the net carrying value of assets unlikely.

Interest capitalized on amounts expended during construction is a component of the cost of additions to be allocated to future periods through the provision for depreciation. Capitalization of interest ceases when the addition is substantially complete and ready for its intended use.

Property, plant, and equipment and the total accumulated depreciation are as follows as of December 31:

	Approximate useful life (years)	2025	2024
Land	—	$ 1,077	1,096
Buildings and improvements	5–60	11,478	11,224
Equipment:			
Fixed	5–25	1,413	1,396
Major movable and minor	3–20	8,789	8,273
Construction in progress	—	1,511	1,288
		24,268	23,277
Less accumulated depreciation		(14,813)	(14,044)
Property, plant, and equipment, net		$ 9,455	9,233

Construction in progress primarily represents renewal and replacement of various facilities in the Health System's operating divisions, as well as costs capitalized for software development.

(Continued)

(In millions of dollars)

(5) Other Assets

Other assets are summarized as follows as of December 31:

		2025	2024
Investment in nonconsolidated joint ventures	$	1,209	935
457(b) deferred compensation		918	771
Goodwill, net of accumulated amortization		128	154
Intangible assets, net of accumulated amortization		103	108
Beneficial interest in noncontrolled foundations		199	199
Other		449	415
Total other assets	$	3,006	2,582

Goodwill is recorded as the excess of cost over fair value of the acquired net assets. Goodwill is amortized over a ten-year period. Goodwill is tested for impairment when a triggering event occurs that indicates that it is more likely than not that the fair value of the reporting unit is below its carrying value. The Health System recorded no goodwill impairment for the years ended December 31, 2025 and 2024.

Indefinite-lived intangible assets are recorded at fair value using various methods depending on the nature of the intangible asset and are tested annually for impairment. Definite-lived intangible assets are amortized using the straight-line method over the estimated useful lives of the assets.

(6) Leases

The Health System enters into operating and finance leases primarily for buildings and equipment. For leases with terms greater than 12 months, the Health System records the related right-of-use (ROU) asset and liability at the present value of the lease payments over the contract term using the Health System's incremental borrowing rate. Building lease agreements generally require the Health System to pay maintenance, repairs, and property taxes, which are variable based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU asset or lease liability. Variable lease costs also include escalating rent payments that are not fixed at lease commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. Most leases include one or more options to renew the lease at the initial term, with renewal terms that generally extend the lease at the then market rate of rental payment. Certain leases also include an option to buy the underlying asset at or a short time prior to the termination of the lease. All such options are at the Health System's discretion and are evaluated at the lease commencement, with only those that are reasonably certain of exercise included in determining the appropriate lease term.

(Continued)

(In millions of dollars)

The components of lease cost are as follows for the years ended December 31:

		2025	2024
Operating lease cost:			
Fixed lease expense	$	230	236
Short-term lease expense		3	3
Variable lease expense		170	177
Total operating lease cost	$	403	416
Finance lease cost:			
Amortization of ROU assets	$	105	102
Interest on finance lease liabilities		21	16
Total finance lease cost	$	126	118

Supplemental cash flow and other information related to leases as of and for the years ended December 31 are as follows:

		2025	2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$	230	236
Operating cash flows from finance leases		21	16
Financing cash flows from finance leases		100	32
Additions to ROU assets obtained from operating leases		129	135
Additions to ROU assets obtained from finance leases		54	109
Weighted-average remaining lease term (in years):			
Operating leases		8	8
Finance leases		14	14
Weighted-average discount rate:			
Operating leases		3.60 %	3.50 %
Finance leases		4.40	4.30

(Continued)

(In millions of dollars)

Commitments related to noncancellable operating and finance leases for each of the next five years and thereafter as of December 31, 2025 are as follows:

		Operating	Finance
2026	$	240	102
2027		211	76
2028		177	68
2029		155	64
2030		126	60
Thereafter		415	426
		1,324	796
Less imputed interest		(164)	(241)
Total lease liabilities		1,160	555
Less current portion		(199)	(77)
Long-term portion	$	961	478

Lease assets and lease liabilities as of December 31 were as follows:

	Classification		2025	2024
Assets:				
Operating	Operating lease ROU assets	$	1,048	1,092
Finance	Property, plant, and equipment, net		495	563
Liabilities:				
Current:				
Operating	Current portion of operating lease liabilities		199	196
Finance	Current portion of long-term debt		77	93
Long-term:				
Operating	Long-term operating lease liabilities, net of current portion		961	1,013
Finance	Long-term debt, net of current portion		478	520

(Continued)

(7) Debt

(a) Short-Term and Long-Term Debt

The Health System has borrowed master trust debt issued through the following:

- California Health Facilities Financing Authority (CHFFA)
- Washington Health Care Facilities Authority (WHCFA)
- Oregon Facilities Authority (OFA)
- Public Finance Authority (PFA)

(In millions of dollars)

Short-term and long-term unpaid principal consists of the following at December 31:

	Maturing through	Coupon rates	Unpaid principal 2025	Unpaid principal 2024
Master trust debt:				
Fixed rate:				
Series 2009C, CHFFA Revenue Bonds	2034	5.00 %	$ 32	35
Series 2009D, CHFFA Revenue Bonds	2034	1.70	36	36
Series 2011C, OFA Revenue Bonds	2026	3.50–5.00	1	2
Series 2012A, WHCFA Revenue Bonds	2042	3.00–5.00	391	404
Series 2013A, CHFFA Revenue Bonds	2037	4.00–5.00	—	31
Series 2014A, CHFFA Revenue Bonds	2038	4.00–5.00	125	132
Series 2014B, CHFFA Revenue Bonds	2044	4.25–5.00	119	119
Series 2014C, WHCFA Revenue Bonds	2044	4.00–5.00	80	80
Series 2014D, WHCFA Revenue Bonds	2041	5.00	176	176
Series 2015A, WHCFA Revenue Bonds	2045	4.00	78	78
Series 2015C, OFA Revenue Bonds	2045	4.00–5.00	71	71
Series 2016A, CHFFA Revenue Bonds	2047	2.50–5.00	426	430
Series 2016B, CHFFA Revenue Bonds	2036	1.25–4.00	—	95
Series 2016H, Direct Obligation Bonds	2036	2.75	300	300
Series 2016I, Direct Obligation Bonds	2047	3.74	400	400
Series 2018A, Direct Obligation Bonds	2048	4.00	350	350
Series 2018B, WHCFA Revenue Bonds	2033	5.00	128	142
Series 2019A, Direct Obligation Bonds	2029	2.53	650	650
Series 2019B, CHFFA Revenue Bonds	2039	5.00	118	118
Series 2019C, CHFFA Revenue Bonds	2039	5.00	—	171
Series 2021A, Direct Obligation Bonds	2051	2.70	775	775
Series 2021B, WHCFA Revenue Bonds	2042	4.00	178	178
Series 2021C, PFA Revenue Bonds	2041	4.00	61	102
Series 2023A, Direct Obligation Notes	2028	5.42	110	110
Series 2023B, Direct Obligation Notes	2033	5.45	85	85
Series 2023C, Direct Obligation Notes	2043	5.71	188	188
Series 2023, Direct Obligation Bonds	2033	5.40	585	585
Series 2025A, Direct Obligation Bonds	2032	5.37	400	—
Series 2025B1, WHCFA Revenue Bonds	2030	5.00	140	—
Series 2025B2, WHCFA Revenue Bonds	2035	5.00	235	—
Series 2025C1, CHFFA Revenue Bonds	2050	5.00	175	—
Series 2025C2, CHFFA Revenue Bonds	2050	5.00	125	—
Series 2025C3, CHFFA Revenue Bonds	2050	5.25	46	—
Total fixed rate			6,584	5,843

(Continued)

(In millions of dollars)

	Maturing through	Effective interest rate (1)		Unpaid principal	
		2025	2024	2025	2024
Variable rate:					
Series 2016D, WHCFA Revenue Bonds	2036	3.89 %	4.39 %	47	53
Series 2016E, WHCFA Revenue Bonds	2036	4.34	4.50	26	33
Total variable rate				73	86
Revolving Credit Facility	2030	5.11	5.96	548	932
Wells Fargo Bilateral Note	2026	5.46	5.55	300	300
PNC Bank Bilateral Note	2030	5.15	5.90	275	200
PNC Bank Bilateral Note	2027	5.11	6.06	127	127
Unpaid principal, master trust debt				7,907	7,488
Premiums, discounts, and unamortized financing costs, net				104	71
Master trust debt, including premiums and discounts, net				8,011	7,559
Other long-term debt				554	614
Total debt				$ 8,565	8,173

(1) Variable rate debt and credit facilities carry floating interest rates attached to indexes, which are subject to change based on market conditions.

Short-term master trust debt includes debt issued with final maturity or mandatory redemption within one year of December 31, 2025 and 2024.

In February 2025, the Health System renewed a $200 PNC Bilateral Note for five years and increased its size to $275. The additional $75 in proceeds were used to reduce the Revolving Credit Facility balance at the close of the transaction.

In June 2025, the Health System issued $400 in taxable bonds, Series 2025A, the proceeds of which were used to reduce balances held on the Revolving Credit Facility. In July 2025, the Health System issued $346 in tax-exempt bonds, California Health Facilities Financing Authority (“CHFFA”) Series 2025C, the proceeds of which refunded certain tax-exempt borrowings held on the Revolving Credit Facility and certain outstanding bonds and maturities, CHFFA 2013A, CHFFA 2016B3, and CHFFA 2019C.

In September 2025, the Health System modified its existing Revolving Credit Facility, extending the maturity from September 2026 to September 2030 and increasing the facility size from $1,250 to $1,500.

In October 2025, the Health System issued $375 in tax-exempt bonds, Series 2025B, which were priced at a premium. The proceeds were used primarily to reimburse the Health System for capital

(Continued)

(In millions of dollars)

expenditures that begun in 2023 related to Swedish First Hill hospital expansion as well as for some future project spend.

Borrowings and payments on the Revolving Credit Facility are presented within debt borrowings and debt payments, respectively, within the combined statements of cash flows.

The following table reflects classification of long-term debt obligations in the accompanying combined balance sheets as of December 31:

		2025	2024
Current portion of long-term debt	$	137	184
Master trust debt classified as short-term		621	494
Long-term debt, classified as a long-term liability		7,807	7,495
Total debt	$	8,565	8,173

(b) Other Long-Term Debt

Other long-term debt consists of the following as of December 31:

		2025	2024
Finance leases	$	526	613
Notes payable and other		28	1
Total other long-term debt	$	554	614

(c) Debt Service

Scheduled principal payments of long-term debt, considering all obligations under the master trust indenture as due according to their long-term amortization schedule, for the next five years and thereafter are as follows:

		Master trust	Other	Total
2026	$	681	78	759
2027		190	47	237
2028		169	40	209
2029		707	40	747
2030		1,012	36	1,048
Thereafter		5,148	313	5,461
Scheduled principal payments of long-term debt	$	7,907	554	8,461

(Continued)

(In millions of dollars)

(8) Retirement Plans

(a) Defined Benefit Plans

The Health System sponsors various frozen defined benefit retirement plans. The measurement dates for the defined benefit plans are December 31. A rollforward of the change in projected benefit obligation and change in the fair value of plan assets for the defined benefit plans is as follows:

		2025	2024
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	$	2,070	2,186
Service cost		8	9
Interest cost		115	110
Actuarial loss (gain)*		45	(60)
Benefits paid and other		(179)	(175)
Projected benefit obligation at end of year		2,059	2,070
Change in fair value of plan assets:			
Fair value of plan assets at beginning of year		1,585	1,558
Actual return on plan assets		214	120
Employer contributions		89	82
Benefits paid and other		(179)	(175)
Fair value of plan assets at end of year		1,709	1,585
Funded status		(350)	(485)
Unrecognized net actuarial loss		90	172
Unrecognized prior service cost		1	1
Net amount recognized	$	(259)	(312)
Amounts recognized in the combined balance sheets consist of:			
Noncurrent assets	$	3	35
Current liabilities		(1)	(1)
Noncurrent liabilities		(352)	(519)
Net assets without donor restrictions		91	173
Net amount recognized	$	(259)	(312)
Weighted average assumptions (projected benefit obligation):			
Discount rate		5.60 %	5.80 %
Rate of increase in compensation levels		4.00	4.00
Cash balance crediting rate		3.92	3.53

* For both years, significant gain/loss was due to the change in the discount rate.

(Continued)

(In millions of dollars)

Net periodic pension cost for the defined benefit plans includes the following components:

		2025	2024
Components of net periodic pension cost:			
Service cost	$	8	9
Interest cost		115	110
Expected return on plan assets		(94)	(91)
Recognized net actuarial loss		2	3
Net periodic pension cost	$	31	31
Special recognition – settlement expense	$	4	7
Weighted Average Assumptions (net periodic pension cost):			
Discount rate		5.80 %	5.30 %
Rate of increase in compensation levels		4.00	4.00
Long-term rate of return on assets		4.75 - 7.00	4.75 - 6.75
Cash balance crediting rate		3.53	3.25

Certain plans sponsored by the Health System allow participants to receive their benefit through a lump-sum distribution upon election. When lump-sum distributions exceed the combined total of service cost and interest cost during a reporting period, settlement expense is recognized. Settlement expense represents the proportional recognition of unrecognized actuarial loss and prior service cost. Settlement expense for the years ended December 31, 2025 and 2024 is included in net nonoperating gains (losses) in the accompanying combined statements of operations.

The accumulated benefit obligation was $2,030 and $2,040 at December 31, 2025 and 2024, respectively.

The following pension benefit payments reflect expected future service. Payments expected to be paid over the next 10 years are as follows:

2026	$	173
2027		173
2028		174
2029		172
2030		169
2031–2035		806
	$	1,667

The Health System expects to contribute approximately $105 to the defined benefit plans in 2026.

(Continued)

(In millions of dollars)

The expected long-term rate of return on plan assets is the expected average rate of return on the funds invested currently and on funds to be invested in the future in order to provide for the benefits included in the projected benefit obligation. The Health System used a range of 4.75% to 7.00% and 4.75% to 6.75% in calculating the 2025 and 2024 expense amounts, respectively. This assumption is based on capital market assumptions and the plan's target asset allocation.

The Health System continues to monitor the expected long-term rate of return. If changes in those parameters cause the expected rate of return to be outside of a reasonable range of expected returns, or if actual plan returns over an extended period of time, suggest that general market assumptions are not representative of expected plan results, the Health System may revise this estimate prospectively.

The target asset allocation and expected long-term rate of return on assets (ELTRA) were as follows at December 31:

	2025 Target	2025 ELTRA	2024 Target	2024 ELTRA
Cash and cash equivalents	0 %	3 %	0 %	3 %
Equity securities	45	7	46	7
Debt securities	37	5 – 6	34	5
Other securities	18	6 – 7	20	6 – 8
Total	100	4.75 – 7.00	100	4.75 – 6.75

The following table presents the Health System's defined benefit plan assets measured at fair value:

	December 31, 2025	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 116	116	—	—
Equity securities:				
Domestic	481	481	—	—
Foreign	283	283	—	—
Domestic debt securities:				
State and federal government	397	350	47	—
Corporate	78	5	73	—
Other	205	192	13	—
Foreign debt securities	19	—	19	—
Investments measured using NAV	217			
Transactions pending settlement, net	(87)			
Total	$ 1,709			

(Continued)

(In millions of dollars)

The following table presents the Health System's defined benefit plan assets measured at fair value:

	December 31, 2024	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 106	106	—	—
Equity securities:				
Domestic	547	547	—	—
Foreign	274	274	—	—
Domestic debt securities:				
State and federal government	263	222	41	—
Corporate	165	5	160	—
Other	69	45	24	—
Foreign debt securities	52	—	52	—
Investments measured using NAV	209			
Transactions pending settlement, net	(100)			
Total	$ 1,585			

The Health System's defined benefit plans participate in various funds that are not actively marketed on an open exchange. These investments consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Due to the nature of these funds the NAV per share, or its equivalent, reported by each fund manager is used as a practical expedient to estimate the fair value of the Health System's interest therein. Management believes that the carrying amounts of these financial instruments provided by the fund managers are reasonable estimates of fair value.

The following table presents information for investments where either the NAV per share or its equivalent was used to value the investments as of December 31:

	2025	2024	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds:	$ 199	203	—	Annually, semi-annually, quarterly, monthly, or not applicable	5–90 days
Private equity	9	4	19	Not applicable	Not applicable
Private debt	9	2	14	Not applicable	Not applicable
Total	$ 217	209	33		

The Health System's defined benefit plans also allow certain investment managers to use derivative financial instruments. These investment managers have executed master netting arrangements with the counterparties of the futures and forward currency purchase and sale contracts whereby the

(Continued)

(In millions of dollars)

financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table summarizes the gross notional value of derivative contracts outstanding as of December 31, 2025 and 2024. The gross notional values give an indication of the volume of the Health System's derivative activities and significantly exceed the fair value of the derivative instruments.

		2025	2024
Futures contracts	$	563	204
Foreign currency forwards and other contracts		63	117
Total gross notional value	$	626	321

The fair value of derivatives contracts in an asset position was $3 and $4 as of December 31, 2025 and 2024, respectively. The fair value of derivatives contracts in a liability position was $0 and $3 as of December 31, 2025 and 2024, respectively. These fair market value are included in assets whose use is limited in the combined balance sheets.

(b) Defined Contribution Plans

The Health System sponsors various defined contribution retirement plans that cover substantially all employees. The plans provide for employer matching contributions in an amount equal to a percentage of employee pretax contributions, up to a maximum amount. In addition, the Health System makes contributions to eligible employees based on years of service. Retirement expense related to these plans was $372 and $709 in 2025 and 2024, respectively, and is reflected in salaries and benefit expense in the accompanying combined statements of operations.

(c) Other Plans

The Health System recorded amounts totaling $918 and $771 as of December 31, 2025 and 2024, respectively, based on the fair value of various 457 (b) plans' assets. These other plan assets are investments in mutual funds valued using Level 1 fair value measurements and are included in other assets in the accompanying combined balance sheets. The corresponding liability is included in other long term liabilities in the accompanying combined balance sheets.

(9) Self-Insurance Liabilities

The Health System has established self-insurance programs for professional and general liability and workers' compensation insurance coverage. These programs provide insurance coverage for healthcare institutions associated with the Health System. The Health System also operates insurance captives, Providence Assurance LLC, to self-insure or reinsure certain layers of professional and general liability risk.

The Health System accrues estimated self-insured professional and general liability and workers' compensation insurance claims based on management's estimate of the ultimate costs for both reported claims and actuarially determined estimates of claims incurred but not reported. Insurance coverage in excess of the per occurrence self-insured retention has been secured with insurers or reinsurers for specified amounts for professional, general, and workers' compensation liabilities. Decisions relating to the limit and scope of the self-insured layer and the amounts of excess insurance purchased are reviewed

each year, subject to management's analysis of actuarial loss projections and the price and availability of acceptable commercial insurance.

At December 31, 2025 and 2024, the estimated liability for future costs of professional and general liability claims was $897 and $860, respectively. At December 31, 2025 and 2024, the estimated workers' compensation obligation was $292 and $291, respectively. Both are recorded in other current liabilities and other liabilities in the accompanying combined balance sheets.

(10) Commitments and Contingencies

(a) Commitments

Purchase commitments at December 31, 2025, primarily related to construction and equipment and software acquisition, are approximately $723.

(b) Litigation

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government monitoring and enforcement activity continues with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of patient services previously billed. Institutions within the Health System are subject to similar regulatory reviews.

Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Health System's combined financial statements.

(In millions of dollars)

(11) Functional Expenses

Operating expenses classified by their natural classification on the combined statements of operations are presented by their functional classifications as follows for the years ended December 31:

	2025							
	Program activities				Supporting activities			
	Hospitals	Physician and outpatient	Long-term care, home care, and hospice	Total programs	General and administrative	Other	Total supporting	Total operating expenses
Salaries and benefits	$ 9,107	3,346	617	13,070	2,404	142	2,546	15,616
Supplies	3,933	304	275	4,512	1	821	822	5,334
Purchased healthcare services	75	200	85	360	—	30	30	390
Interest, depreciation, and amortization	654	59	8	721	473	8	481	1,202
Purchased services, professional fees and other	4,493	971	134	5,598	1,428	18	1,446	7,044
Restructuring costs and other	—	—	—	—	354	—	354	354
Total operating expenses	$ 18,262	4,880	1,119	24,261	4,660	1,019	5,679	29,940

	2024							
	Program activities				Supporting activities			
	Hospitals	Physician and outpatient	Long-term care, home care, and hospice	Total programs	General and administrative	Other	Total supporting	Total operating expenses
Salaries and benefits	$ 8,902	3,284	869	13,055	2,434	141	2,575	15,630
Supplies	3,547	298	264	4,109	2	779	781	4,890
Purchased healthcare services	66	170	66	302	—	23	23	325
Interest, depreciation, and amortization	622	60	19	701	490	9	499	1,200
Purchased services, professional fees and other	3,903	896	148	4,947	1,416	25	1,441	6,388
Restructuring costs and other	—	—	—	—	183	—	183	183
Total operating expenses	$ 17,040	4,708	1,366	23,114	4,525	977	5,502	28,616

(Continued)

Supporting activities include costs that are not controllable by operational leadership. Health System leadership drives these costs, which benefit the entire Health System. Costs that are controllable by operational leadership are allocated to the respective program activities.

PROVIDENCE ST. JOSEPH HEALTH

Supplemental Schedule – Obligated Group Combining Balance Sheets Information

December 31, 2025 and 2024

(In millions of dollars)

	2025			2024		
Assets	**Obligated Group**	**Nonobligated, Eliminations, and Other**	**Total combined**	**Obligated Group**	**Nonobligated, Eliminations, and Other**	**Total combined**
Current assets:						
Cash and cash equivalents	$ 1,242	(106)	1,136	1,929	(161)	1,768
Accounts receivable	3,432	65	3,497	3,482	31	3,513
Supplies inventory	325	12	337	329	14	343
Other current assets	1,801	615	2,416	1,533	618	2,151
Current portion of assets whose use is limited	1,404	109	1,513	677	97	774
Total current assets	8,204	695	8,899	7,950	599	8,549
Assets whose use is limited	3,721	3,022	6,743	3,373	3,202	6,575
Property, plant, and equipment, net	8,758	697	9,455	8,510	723	9,233
Operating lease right-of-use assets	701	347	1,048	719	373	1,092
Other assets	4,294	(1,288)	3,006	3,778	(1,196)	2,582
Total assets	$ 25,678	3,473	29,151	24,330	3,701	28,031
Liabilities and Net Assets						
Current liabilities:						
Current portion of long-term debt	$ 123	14	137	169	15	184
Master trust debt classified as short-term	621	—	621	494	—	494
Accounts payable	1,654	197	1,851	1,425	179	1,604
Accrued compensation	1,571	122	1,693	1,555	122	1,677
Current portion of operating lease liabilities	139	60	199	135	61	196
Other current liabilities	1,901	806	2,707	1,418	829	2,247
Total current liabilities	6,009	1,199	7,208	5,196	1,206	6,402
Long-term debt, net of current portion	7,970	(163)	7,807	7,302	193	7,495
Pension benefit obligation	352	—	352	519	—	519
Long-term operating lease liabilities, net of current portion	649	312	961	670	343	1,013
Other liabilities	1,346	660	2,006	1,247	614	1,861
Total liabilities	16,326	2,008	18,334	14,934	2,356	17,290
Net assets:						
Net assets without donor restrictions	7,983	1,268	9,251	8,126	1,188	9,314
Net assets with donor restrictions	1,369	197	1,566	1,270	157	1,427
Total net assets	9,352	1,465	10,817	9,396	1,345	10,741
Total liabilities and net assets	$ 25,678	3,473	29,151	24,330	3,701	28,031

See accompanying independent auditors' report.

PROVIDENCE ST. JOSEPH HEALTH

Supplemental Schedule – Obligated Group Combining Statements of Operations Information

Years ended December 31, 2025 and 2024

(In millions of dollars)

	2025			2024		
	Obligated Group	Nonobligated, Eliminations, and Other	Total combined	Obligated Group	Nonobligated, Eliminations, and Other	Total combined
Operating revenues:						
Net patient service revenues	$ 23,697	852	24,549	22,591	796	23,387
Other revenues	3,437	1,468	4,905	3,040	1,643	4,683
Total operating revenues	27,134	2,320	29,454	25,631	2,439	28,070
Operating expenses:						
Salaries and benefits	13,853	1,763	15,616	13,695	1,935	15,630
Supplies	5,069	265	5,334	4,613	277	4,890
Interest, depreciation, and amortization	1,118	84	1,202	1,079	121	1,200
Purchased services, professional fees, and other	6,613	821	7,434	6,142	571	6,713
Total operating expenses	26,653	2,933	29,586	25,529	2,904	28,433
Excess (deficit) of revenues over expenses from operations before restructuring costs and other	481	(613)	(132)	102	(465)	(363)
Restructuring costs and other	354	—	354	183	—	183
Excess (deficit) of revenues over expenses from operations	127	(613)	(486)	(81)	(465)	(546)
Net nonoperating gains (losses):						
Investment income, net	282	148	430	283	168	451
Other	(21)	(59)	(80)	(21)	(54)	(75)
Total net nonoperating gains	261	89	350	262	114	376
Excess (deficit) of revenues over expenses from continuing operations	$ 388	(524)	(136)	181	(351)	(170)
Loss from operations of discontinued subsidiaries	—	(102)	(102)	—	(61)	(61)
Excess (deficit) of revenues over expenses	388	(626)	(238)	181	(412)	(231)

See accompanying independent auditors' report.