

PHILPACIFIC INSURANCE  
BROKERS & MANAGERS, INC.  
DOING BUSINESS UNDER THE  
NAME AND STYLE OF  
PHILINSURE

FINANCIAL STATEMENTS  
December 31, 2024 and 2023

With Independent Auditors' Report



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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
**Philpacific Insurance Brokers & Managers, Inc.**  
**Doing Business under the Name and Style of Philinsure**  
2<sup>nd</sup> Floor, Centro Maximo II Bldg.  
D. Jakosalem Corner Ranudo Sts.  
Barangay Cogon Ramos, Cebu City, Philippines

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Philpacific Insurance Brokers & Managers, Inc. Doing Business under the Name and Style of Philinsure (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of profit or loss and other comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

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

#### *Basis for Opinion*

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

#### *Firm Regulatory Registration & Accreditation:*

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements



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

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

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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





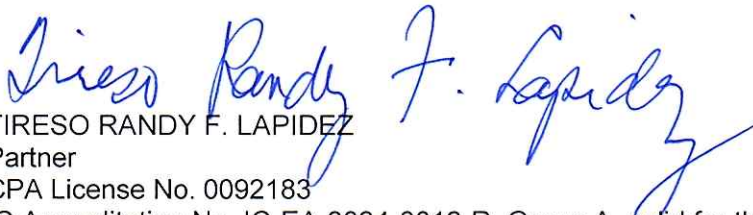
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**R.G. MANABAT & CO.**

  
TIRESO RANDY F. LAPIDEZ  
Partner  
CPA License No. 0092183

IC Accreditation No. IC-EA-2024-0012-R, Group A, valid for three (3) years  
covering the audit of 2024 to 2026 financial statements

SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years  
covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2023

Issued May 25, 2023; valid until May 25, 2026

PTR No. MKT 10467182

Issued January 2, 2025 at Makati City

April 30, 2025  
Makati City, Metro Manila



**PHILPACIFIC INSURANCE BROKERS & MANAGERS, INC.**  
**DOING BUSINESS UNDER THE NAME AND STYLE OF PHILINSURE**  
**STATEMENTS OF FINANCIAL POSITION**

|   |        | December 31         |                     |
|---|--------|---------------------|---------------------|
|   | Note   | 2024                | 2023                |
| <b>ASSETS</b>   |        |                     |                     |
| <b>Current Assets</b>                                 |        |                     |                     |
| Cash and cash equivalents                             | 4, 18  | P105,353,878        | P128,582,805        |
| Receivables   | 5, 18  | 229,074,177         | 174,156,494         |
| Financial assets at fair value through profit or loss | 6, 18  | 2,819,070           | 2,727,554           |
| Prepaid expenses and other current assets             | 7      | 16,091,435          | 35,165,318          |
| <b>Total Current Assets</b>                           |        | <b>353,338,560</b>  | <b>340,632,171</b>  |
| <b>Noncurrent Assets</b>                              |        |                     |                     |
| Property and equipment - net                          | 8      | 40,425,571          | 25,262,945          |
| Right-of-use assets - net                             | 17     | 26,929,032          | 18,639,647          |
| Deferred tax assets - net                             | 13     | 13,335,745          | 7,603,122           |
| Other noncurrent assets                               | 9, 18  | 8,736,029           | 8,602,537           |
| <b>Total Noncurrent Assets</b>                        |        | <b>89,426,377</b>   | <b>60,108,251</b>   |
|   |        | <b>P442,764,937</b> | <b>P400,740,422</b> |
| <b>LIABILITIES AND EQUITY</b>                         |        |                     |                     |
| <b>Current Liabilities</b>                            |        |                     |                     |
| Due to insurance companies                            | 5, 18  | P69,699,893         | P80,081,166         |
| Trade and other payables                              | 10, 18 | 87,739,464          | 64,908,213          |
| Dividends payable                                     | 14     | 79,000,000          | -                   |
| Current portion of lease liabilities                  | 17, 18 | 10,681,893          | 7,324,450           |
| Income tax payable                                    |        | 630,467             | -                   |
| <b>Total Current Liabilities</b>                      |        | <b>247,751,717</b>  | <b>152,313,829</b>  |
| <b>Noncurrent Liabilities</b>                         |        |                     |                     |
| Lease liabilities - net of current portion            | 17, 18 | 16,746,537          | 13,454,860          |
| Retirement benefits liability                         | 15     | 27,804,285          | 29,500,833          |
| <b>Total Noncurrent Liabilities</b>                   |        | <b>44,550,822</b>   | <b>42,955,693</b>   |
| <b>Total Liabilities</b>                              |        | <b>292,302,539</b>  | <b>195,269,522</b>  |
| <b>Equity</b>   |        |                     |                     |
| Capital stock   | 14     | 27,000,000          | 27,000,000          |
| Retained earnings                                     | 14     | 132,185,577         | 187,563,997         |
| Retirement benefits reserve                           |        | (8,723,179)         | (9,093,097)         |
| <b>Net Equity</b>                                     |        | <b>150,462,398</b>  | <b>205,470,900</b>  |
|   |        | <b>P442,764,937</b> | <b>P400,740,422</b> |

See Notes to the Financial Statements.



**PHILPACIFIC INSURANCE BROKERS & MANAGERS, INC.**  
**DOING BUSINESS UNDER THE NAME AND STYLE OF PHILINSURE**  
**STATEMENTS OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (LOSS)**

|  |       | Years Ended December 31 |                     |
|--|-------|-------------------------|---------------------|
|  | Note  | 2024                    | 2023                |
| <b>SERVICE REVENUE</b>   |       | <b>P722,630,920</b>     | <b>P616,924,758</b> |
| <b>COST OF SERVICES</b>  | 11    | <b>226,358,032</b>      | <b>180,194,843</b>  |
| <b>GROSS INCOME</b>  |       | <b>496,272,888</b>      | <b>436,729,915</b>  |
| <b>OPERATING EXPENSES</b>  | 12    | <b>211,240,345</b>      | <b>187,554,342</b>  |
| <b>OPERATING INCOME</b>  |       | <b>285,032,543</b>      | <b>249,175,573</b>  |
| <b>OTHER (EXPENSE) INCOME - net</b>                                      |       |                         |                     |
| Interest income  | 4     | 1,625,054               | 3,547,320           |
| Unrealized gain on financial assets at fair value through profit or loss | 6, 18 | 91,516                  | 17,743              |
| Gain on disposal of property and equipment                               |       | 58,286                  | -                   |
| Interest expense   | 17    | (1,771,318)             | (1,413,911)         |
| Foreign currency exchange (loss) gain - net                              |       | (2,558,903)             | 1,109,920           |
|  |       | (2,555,365)             | 3,261,072           |
| <b>INCOME BEFORE INCOME TAX EXPENSE</b>                                  |       | <b>282,477,178</b>      | <b>252,436,645</b>  |
| <b>PROVISION FOR INCOME TAX EXPENSE</b>                                  |       |                         |                     |
| Current  |       | 78,006,516              | 63,680,212          |
| Deferred   |       | (5,855,929)             | 1,183,962           |
| Final  |       | 325,011                 | 709,464             |
|  | 13    | 72,475,598              | 65,573,638          |
| <b>NET INCOME</b>  |       | <b>210,001,580</b>      | <b>186,863,007</b>  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                 |       |                         |                     |
| <b>Items that will never be reclassified to profit or loss</b>           |       |                         |                     |
| Actuarial gain (loss) on defined benefits plan                           | 15    | 493,224                 | (11,880,116)        |
| Tax effect   | 13    | (123,306)               | 2,970,029           |
|  |       | 369,918                 | (8,910,087)         |
| <b>TOTAL COMPREHENSIVE INCOME</b>  |       | <b>P210,371,498</b>     | <b>P177,952,920</b> |

See Notes to the Financial Statements.





**PHILPACIFIC INSURANCE BROKERS & MANAGERS, INC.**  
**DOING BUSINESS UNDER THE NAME AND STYLE OF PHILINSURE**  
**STATEMENTS OF CHANGES IN EQUITY**

|  | Years Ended December 31    |                                   |                                   |                     |
|--|----------------------------|-----------------------------------|-----------------------------------|---------------------|
|  | Capital Stock<br>(Note 14) | Retained<br>Earnings<br>(Note 14) | Retirement<br>Benefits<br>Reserve | Net Equity          |
| <b>Balance at January 1, 2024</b>              | <b>P27,000,000</b>         | <b>P187,563,997</b>               | <b>(P9,093,097)</b>               | <b>P205,470,900</b> |
| Cash Dividends                                 | -                          | (265,380,000)                     | -                                 | (265,380,000)       |
| <b>Total Comprehensive Income for the Year</b> |                            |                                   |                                   |                     |
| Net income for the year                        | -                          | 210,001,580                       | -                                 | 210,001,580         |
| Other comprehensive income                     | -                          | -                                 | 369,918                           | 369,918             |
|  | -                          | 210,001,580                       | 369,918                           | 210,371,498         |
| <b>Balance at December 31, 2024</b>            | <b>P27,000,000</b>         | <b>P132,185,577</b>               | <b>(P8,723,179)</b>               | <b>P150,462,398</b> |
| Balance at January 1, 2023                     | P27,000,000                | P199,700,990                      | (P183,010)                        | P226,517,980        |
| Cash Dividends                                 | -                          | (199,000,000)                     | -                                 | (199,000,000)       |
| <b>Total Comprehensive Income for the Year</b> |                            |                                   |                                   |                     |
| Net income for the year                        | -                          | 186,863,007                       | -                                 | 186,863,007         |
| Other comprehensive loss                       | -                          | -                                 | (8,910,087)                       | (8,910,087)         |
|  | -                          | 186,863,007                       | (8,910,087)                       | 177,952,920         |
| <b>Balance at December 31, 2023</b>            | <b>P27,000,000</b>         | <b>P187,563,997</b>               | <b>(P9,093,097)</b>               | <b>P205,470,900</b> |

See Notes to the Financial Statements.

**PHILPACIFIC INSURANCE BROKERS & MANAGERS, INC.**  
**DOING BUSINESS UNDER THE NAME AND STYLE OF PHILINSURE**  
**STATEMENTS OF CASH FLOWS**

|  |              | Years Ended December 31 |               |
|--|--------------|-------------------------|---------------|
|  | Note         | 2024                    | 2023          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |              |                         |               |
| Income before income tax expense   |              | P282,477,178            | P252,436,645  |
| Adjustments for:   |              |                         |               |
| Depreciation and amortization  | 8, 9, 12, 17 | 27,673,561              | 25,555,135    |
| Retirement benefits cost   | 11, 12, 15   | 11,805,249              | 9,606,906     |
| Foreign currency exchange loss (gain) - net                              |              | 2,558,903               | (1,109,920)   |
| Interest expense   | 17           | 1,771,318               | 1,413,911     |
| Gain on disposal of property   |              | (58,286)                | -             |
| Unrealized gain on financial assets at fair value through profit or loss | 6            | (91,516)                | (17,743)      |
| Interest income  | 4            | (1,625,054)             | (3,547,320)   |
|  |              | 324,511,353             | 284,337,614   |
| Changes in:  |              |                         |               |
| Receivables  |              | (54,917,683)            | (112,391,536) |
| Due to insurance companies   |              | (10,381,273)            | 7,558,076     |
| Prepaid expenses and other current assets                                |              | 16,947,948              | 643,418       |
| Trade and other payables   |              | 22,831,251              | 30,056,796    |
|  |              | 298,991,596             | 210,204,368   |
| Interest income received   |              | 1,300,043               | 2,837,856     |
| Interest expense paid  | 17           | (1,771,318)             | (1,413,911)   |
| Contributions to retirement plan   | 15           | (13,008,573)            | (15,020,999)  |
| Income taxes paid  |              | (77,376,049)            | (63,680,212)  |
| Net cash provided by operating activities                                |              | 208,135,699             | 132,927,102   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |              |                         |               |
| Proceeds from disposal of equipment                                      |              | 362,783                 | -             |
| Change in other noncurrent assets  |              | (2,233,493)             | (37,263)      |
| Additions to property and equipment                                      | 8            | (30,502,084)            | (13,946,438)  |
| Additions to computer software   | 9            | -                       | (300,000)     |
| Payment of account listing   | 9            | -                       | (2,000,000)   |
| Net cash used in investing activities                                    |              | (32,372,794)            | (16,283,701)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |              |                         |               |
| Payment of lease liabilities   | 17           | (10,052,929)            | (9,256,233)   |
| Payment of cash dividends  | 14           | (186,380,000)           | (199,000,000) |
| Total cash used in financing activities                                  |              | (196,432,929)           | (208,256,233) |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                         |              | (20,670,024)            | (91,612,832)  |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>      |              | (2,558,903)             | 1,109,920     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                    |              | 128,582,805             | 219,085,717   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                          | 4            | P105,353,878            | P128,582,805  |

See Notes to the Financial Statements.

