

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

(formerly Philpacific Insurance Brokers & Managers, Inc.)

**FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

With Independent Auditors' Report

**C O V E R   S H E E T**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**COMPANY NAME**

P	H	I	L	P	A	C	I	F	I	C	I	N	S	U	R	A	N	C	E	B	R	O	K	E	R	S	
&	M	A	N	A	G	E	R	S	,	I	N	C	.	D	O	I	N	G									
B	U	S	I	N	E	S	S	U	N	D	E	R	T	H	E	N	A	M	E	A	N	D					
S	T	Y	L	E	O	F	P	H	I	L	I	N	S	U	R	E											
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B	r	o	k	e	r	s	&	M	a	n	a	g	e	r	s	,	I	n	c	.	)						

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

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B	i	d	g	.	,	D	.	J	a	k	o	s	a	l	e	m	c	o	r	n	e	r			
R	a	n	u	d	o	S	t	s	.	,	B	a	r	a	n	g	a	y	C	o	g	o	n		
R	a	m	o	s	,	C	e	b	u	C	i	t	y	,	P	h	i	l	i	p	p	i	n	e	s

**Form Type**

A F S 2 2

**Department requiring the report**

N/A

**Secondary License Type, If Applicable**

N/A

**COMPANY INFORMATION**

**Company's email Address**

corpsec.philinsure@philinsure.com

**Company's Telephone Number/s**

(032) 254-6781

**Mobile Number**

0995-3996173

**No. of Stockholders**

22

**Annual Meeting (Month / Day)**

June 30

**Fiscal Year (Month / Day)**

December 31

**CONTACT PERSON INFORMATION**

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

**Name of Contact Person**

Helen B. Carlos

**Email Address**

helen.carlos@philinsure.com

**Telephone Number/s**

(02) 822-9940

**Mobile Number**

N/A

**CONTACT PERSON'S ADDRESS**

MS11 Khaki Street, New Lancaster City, General Trias City, Cavite

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

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



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The KPMG Center, 6/F  
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Philippines 1209  
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Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

## 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, 2022 and 2021, 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 significant 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### *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 November 21, 2023  
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)  
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 (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



## *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 PFRSs, 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. 92183-IC, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 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. 08-001987-034-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 9563831

Issued January 3, 2023 at Makati City

April 29, 2023

Makati City, Metro Manila

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

		December 31	
	<i>Note</i>	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4, 18	<b>P219,085,717</b>	P210,830,095
Receivables	5, 18	<b>61,764,958</b>	151,254,899
Financial assets at fair value through profit or loss	6, 18	<b>2,709,811</b>	2,982,835
Prepaid expenses and other current assets	7	<b>35,808,736</b>	29,176,183
<b>Total Current Assets</b>		<b>319,369,222</b>	394,244,012
<b>Noncurrent Assets</b>			
Property and equipment - net	8	<b>24,371,926</b>	19,064,316
Right-of-use assets - net	17	<b>28,591,866</b>	13,470,065
Deferred tax assets - net	13	<b>5,817,055</b>	11,705,390
Other noncurrent assets	9, 18	<b>10,812,771</b>	12,870,414
<b>Total Noncurrent Assets</b>		<b>69,593,618</b>	57,110,185
		<b>P388,962,840</b>	P451,354,197
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Due to insurance companies	5, 18	<b>P72,523,090</b>	P78,302,643
Trade and other payables	10, 18	<b>36,851,417</b>	125,095,177
Current portion of lease liabilities	17, 18	<b>8,966,245</b>	6,925,818
<b>Total Current Liabilities</b>		<b>118,340,752</b>	210,323,638
<b>Noncurrent Liabilities</b>			
Lease liabilities - net of current	17, 18	<b>21,069,298</b>	7,358,885
Retirement benefits liability	15	<b>23,034,810</b>	47,490,210
Other noncurrent liability	18	-	2,000,000
<b>Total Noncurrent Liabilities</b>		<b>44,104,108</b>	56,849,095
<b>Total Liabilities</b>		<b>162,444,860</b>	267,172,733
<b>Equity</b>			
Capital stock	14	<b>27,000,000</b>	27,000,000
Retained earnings	14	<b>199,700,990</b>	173,504,736
Retirement benefits reserve	14	<b>(183,010)</b>	(16,323,272)
<b>Net Equity</b>		<b>226,517,980</b>	184,181,464
		<b>P388,962,840</b>	P451,354,197

See Notes to the Financial Statements.

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**STATEMENTS OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (LOSS)**

		<b>Years Ended December 31</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>
<b>SERVICE REVENUE</b>		<b>P542,622,945</b>	P483,874,022
<b>COST OF SERVICES</b>	11	<b>162,234,126</b>	148,776,609
<b>GROSS INCOME</b>		<b>380,388,819</b>	335,097,413
<b>OPERATING EXPENSES</b>	12	<b>164,088,804</b>	149,053,769
<b>OPERATING INCOME</b>		<b>216,300,015</b>	186,043,644
<b>OTHER INCOME (CHARGES)</b>			
Foreign currency exchange gain		<b>8,672,870</b>	11,292,985
Gain on disposal of equipment	8	-	105,357
Interest income	4	<b>299,408</b>	92,610
Unrealized (loss) gain on financial assets at fair value through profit or loss	6	<b>(273,024)</b>	853
Interest expense	17	<b>(1,480,202)</b>	(801,466)
		<b>7,219,052</b>	10,690,339
<b>INCOME BEFORE INCOME TAX EXPENSE</b>		<b>223,519,067</b>	196,733,983
<b>PROVISION FOR INCOME TAX EXPENSE</b>			
Current		<b>56,754,684</b>	46,042,090
Deferred		<b>508,247</b>	2,298,043
Final		<b>59,882</b>	18,522
	13	<b>57,322,813</b>	48,358,655
<b>NET INCOME</b>		<b>166,196,254</b>	148,375,328
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Actuarial gain on defined benefits plan	15	<b>21,520,350</b>	321,351
Tax effect	13	<b>(5,380,088)</b>	(1,184,623)
		<b>16,140,262</b>	(863,272)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P182,336,516</b>	P147,512,056

*See Notes to the Financial Statements.*

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**STATEMENTS OF CHANGES IN EQUITY**

	Years Ended December 31			
	Capital Stock (Note 14)	Retained Earnings (Note 14)	Retirement Benefits Reserve	Net Equity
<b>Balance at January 1, 2022</b>	<b>P27,000,000</b>	<b>P173,504,736</b>	<b>(P16,323,272)</b>	<b>P184,181,464</b>
<b>Cash Dividends</b>	-	<b>(140,000,000)</b>	-	<b>(140,000,000)</b>
<b>Total Comprehensive Income for the Year</b>				
Net income for the year	-	<b>166,196,254</b>	-	<b>166,196,254</b>
Other comprehensive income	-	-	<b>16,140,262</b>	<b>16,140,262</b>
	-	<b>166,196,254</b>	<b>16,140,262</b>	<b>182,336,516</b>
<b>Balance at December 31, 2022</b>	<b>P27,000,000</b>	<b>P199,700,990</b>	<b>(P183,010)</b>	<b>P226,517,980</b>
Balance at January 1, 2021	P27,000,000	P129,129,408	(P15,460,000)	P140,669,408
Cash Dividends	-	(104,000,000)	-	(104,000,000)
<b>Total Comprehensive Income for the Year</b>				
Net income for the year	-	148,375,328	-	148,375,328
Other comprehensive loss	-	-	(863,272)	(863,272)
	-	148,375,328	(863,272)	147,512,056
Balance at December 31, 2021	P27,000,000	P173,504,736	(P16,323,272)	P184,181,464

*See Notes to the Financial Statements.*



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**STATEMENTS OF CASH FLOWS**

		Years Ended December 31	
	Note	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax expense		P223,519,067	P196,733,983
Adjustments for:			
Depreciation and amortization	8, 9, 12, 17	25,497,470	21,033,606
Retirement benefits cost	11, 12, 15	11,064,950	10,880,607
Interest expense	17	1,480,202	801,466
Unrealized loss (gain) on financial assets at fair value through profit or loss	6	273,024	(853)
Gain on disposal of equipment	8	-	(105,357)
Interest income	4	(299,408)	(92,610)
Foreign currency exchange gain - net		(8,672,870)	(11,292,985)
		<b>252,862,435</b>	<b>217,957,857</b>
Changes in:			
Receivables		89,489,941	1,041,571,075
Due to insurance companies		(5,779,553)	(1,104,982,047)
Prepaid expenses and other current assets		(6,730,944)	(4,969,479)
Trade and other payables		(83,243,760)	61,570,697
		<b>246,598,119</b>	<b>211,148,103</b>
Interest income received		239,526	74,088
Benefits paid from operating funds	15	(1,000,000)	(2,716,865)
Interest expense paid		(1,480,202)	-
Contributions to retirement plan	15	(13,000,000)	(11,867,124)
Income taxes paid		(56,754,684)	(59,896,427)
Net cash provided by operating activities		<b>174,602,759</b>	<b>136,741,775</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in other noncurrent assets		71,215	(237,959)
Additions to computer software	9	(1,170,983)	(58,393)
Payment of account listing	9	(7,000,000)	(1,000,000)
Additions to property and equipment	8	(18,789,319)	(6,946,100)
Net cash used in investing activities		<b>(26,889,087)</b>	<b>(8,242,452)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	17	(8,130,920)	(8,436,915)
Payment of cash dividends	14	(140,000,000)	(104,000,000)
Cash used in financing activities		<b>(148,130,920)</b>	<b>(112,436,915)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(417,248)</b>	<b>16,062,408</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>8,672,870</b>	<b>11,292,985</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>210,830,095</b>	<b>183,474,702</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<b>P219,085,717</b>	<b>P210,830,095</b>

See Notes to the Financial Statements.