

Marichu Hao

From: noreply-cifssost@sec.gov.ph
Sent: Tuesday, October 7, 2025 12:47 PM
Subject: SEC eFast Initial Acceptance

CAUTION: This email originated from outside of the GRA organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Greetings!

SEC Registration No: 0000028175
Company Name: GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instruction stated in the form.

Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer.

1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements.

Marichu Hao

From: eafs@bir.gov.ph
Sent: Tuesday, October 7, 2025 10:55 AM
To: Marichu Hao
Cc: Marichu Hao
Subject: Your BIR AFS eSubmission uploads were received

CAUTION: This email originated from outside of the GRA organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi GOTUACO, DEL ROSARIO INSURANCE BROKERS, INC.,

Valid files

- EAFS000122399AFSTY122024.pdf
- EAFS000122399ITRTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-AEE5ELHE07C5997K6Q3XQXY2P0BECKCL6B**
Submission Date/Time: **Oct 07, 2025 10:55 AM**
Company TIN: **000-122-399**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.
For Encrypted Emails click [here](#) for instructions ===== DISCLAIMER ===== This email and its attachments may be confidential and are intended solely for the use of the individual or entity to whom it is addressed. If you are not the intended recipient of this email and its attachments, you must take no action based upon them, nor must you disseminate, distribute or copy this e-mail. Please contact the sender immediately if you believe you have received this email in error. E-mail transmission cannot be guaranteed to be secure or error-free. The recipient should check this email and any attachments for the presence of viruses. The Bureau of Internal Revenue does not accept liability for any errors or omissions



File Upload



All files successfully uploaded

Transaction Code:
AFS-0-AEE5ELHE07C5997K6Q3XQXY2P0BECKCL6B

Submission Date/Time:
Oct 07, 2025 10:55 AM

 [Back To Upload](#)

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0000028175

COMPANY NAME

A F D R I N S U R A N C E B R O K E R S I N C .
(F O R M E R L Y G O T U A C O D E L R O S A R I O
I N S U R A N C E B R O K E R S , I N C .)

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

1 5 T H F L O O R , C H A T H A M H O U S E , 1 1 6
V A L E R O C O R N E R V . A . R U F I N O S T R E
E T S , M A K A T I C I T Y

Form Type

A A F S

Department requiring the report

S E C

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

gra@gra.insurancebrokers.com

Company's Telephone Number

8662-3600

Mobile Number

0918 844 6026

No. of Stockholders

11

Annual Meeting (Month / Day)

2nd Monday of April

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Marichu C. Hao

Email Address

menchiehao@gra-insurancebrokers.com

Telephone Number/s

8662-3600

Mobile Number

09178949926

CONTACT PERSON'S ADDRESS

11 Emerald St., Cresdaville Subdivision, Taytay Rizal

NOTE1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AFDR Insurance Brokers Inc.
(formerly Gotuaco Del Rosario Insurance Brokers, Inc.)
15th Floor, Chatham House
116 Valero corner V.A. Rufino Streets
Salcedo Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AFDR Insurance Brokers Inc. (formerly Gotuaco Del Rosario Insurance Brokers, Inc.) (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

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

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

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

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



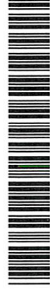
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 and 34-2020

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 and 34-2020 in Note 21 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of AFDR Insurance Brokers Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bernalette L. Ramos

Bernalette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

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

BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027

PTR No. 10465367, January 2, 2025, Makati City

October 6, 2025



AFDR INSURANCE BROKERS INC.
(FORMERLY GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	P150,814,845	P123,841,681
Receivables (Notes 6 and 15)	45,415,992	76,114,043
Other current assets (Note 7)	61,593,278	54,273,057
Total Current Assets	257,824,115	254,228,781
Noncurrent Assets		
Receivables (Note 6 and 15)	14,284,771	17,357,162
Property and equipment (Note 8)	4,026,702	9,047,978
Right-of-use assets (Note 17)	8,852,133	14,576,175
Deferred tax assets - net (Note 14)	6,761,843	7,220,407
Other noncurrent assets (Note 7)	46,147,431	114,337,562
Total Noncurrent Assets	80,072,880	162,539,284
	P337,896,995	P416,768,065
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable, accrued and other liabilities (Note 10)	P77,302,852	P74,353,624
Due to insurance companies (Note 9)	85,443,921	91,517,945
Commissions payable (Note 15)	90,064,202	176,448,671
Contract liability (Note 9)	4,730,972	6,407,637
Lease liabilities (Note 17)	3,590,667	5,472,574
Total Current Liabilities	261,132,614	354,200,452
Noncurrent Liability		
Net pension liability (Note 13)	6,525,944	6,605,275
Lease liabilities (Note 17)	6,164,848	9,400,052
Contract liability (Note 9)	3,366,827	1,820,006
Total Noncurrent Liabilities	16,057,619	17,825,333
Total Liabilities	277,190,233	372,025,785
Equity (Note 11)		
Capital stock - P100.00 par value		
Class A		
Issued and outstanding - 245,000 shares	24,500,000	24,500,000
Class B		
Issued and outstanding - 105,000 shares	10,500,000	10,500,000
Retained earnings	44,188,803	26,177,483
Treasury stock - 15,000 Class B shares	(3,619,650)	(3,619,650)
Remeasurement losses on pension liability (Note 13)	(14,862,391)	(12,815,553)
Total Equity	60,706,762	44,742,280
	P337,896,995	P416,768,065

See accompanying Notes to Financial Statements.



AHDR INSURANCE BROKERS INC.
(FORMERLY GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
INCOME		
Commission income (Note 9)	₱374,405,746	₱358,031,180
Interest income (Notes 5 and 6)	139,831	148,085
	374,545,577	358,179,265
EXPENSES		
Provision for probable losses and disallowances (Notes 6, 7 and 10)	115,782,629	19,078,255
Commission expense	78,183,405	211,136,296
Personnel costs (Note 12)	45,886,251	47,342,969
Depreciation and amortization (Notes 8 and 17)	11,733,825	8,672,574
Entertainment, amusement and recreation	8,036,790	6,991,981
Insurance	5,989,119	6,377,859
Transportation and travel	5,804,075	5,880,986
Professional fees	5,470,590	4,560,808
Utilities	3,888,871	2,367,519
Taxes and licenses	2,896,280	2,849,542
Repairs and maintenance	1,874,174	1,769,141
Interest expense (Notes 13 and 17)	1,567,729	442,514
Office supplies and stationery	978,017	1,169,515
Advertising	899,930	358,070
Rent expense (Note 17)	273,997	229,097
Others	16,629,089	13,548,000
	305,894,771	332,775,126
INCOME BEFORE INCOME TAX	68,650,806	25,404,139
PROVISION FOR INCOME TAX (Note 14)	50,639,486	14,696,570
NET INCOME	18,011,320	10,707,569
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will not be recycled to profit or loss		
Change in remeasurement loss on pension liability (Note 13)	(2,729,117)	(9,277,087)
Tax effect (Notes 13 and 14)	682,279	2,319,272
	(2,046,838)	(6,957,815)
TOTAL COMPREHENSIVE INCOME	₱15,964,482	₱3,749,754

See accompanying Notes to Financial Statements.



AFDR INSURANCE BROKERS INC.
(FORMERLY GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.)
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 11)		Retained Earnings (Note 11)	Treasury Stock (Class B) (Note 11)	Remeasurement losses on pension liability (Note 13)	Total
	Class A	Class B				
Balance at January 1, 2024						
Total comprehensive income (loss)	₱24,500,000	₱10,500,000	₱26,177,483	(₱3,619,650)	(₱12,815,553)	₱44,742,280
	—	—	18,011,320	—	(2,046,838)	15,964,482
Balances at December 31, 2024	₱24,500,000	₱10,500,000	₱44,188,803	(₱3,619,650)	(₱14,862,391)	₱60,706,762
Balance at January 1, 2023						
Total comprehensive income (loss)	₱24,500,000	₱10,500,000	₱15,469,914	(₱3,619,650)	(₱5,857,738)	₱40,992,526
	—	—	10,707,569	—	(6,957,815)	3,749,754
Balances at December 31, 2023	₱24,500,000	₱10,500,000	₱26,177,483	(₱3,619,650)	(₱12,815,553)	₱44,742,280

See accompanying Notes to Financial Statements



AFDR INSURANCE BROKERS INC.
(FORMERLY GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱68,650,806	₱25,404,139
Adjustments for:		
Retirement benefit cost, including interest (Note 13)	3,191,552	2,272,846
Depreciation and amortization (Notes 8 and 17)	11,733,825	8,672,575
Interest expense on lease liabilities (Note 17)	1,306,106	536,405
Provisions for probable losses and disallowances (Notes 6, 7 and 10)	115,782,629	19,078,253
Interest income (Notes 5 and 6)	(139,831)	(148,085)
Operating income before working capital changes	200,525,087	55,816,133
Increase in:		
Receivables	(8,024,184)	(1,115,924)
Other assets	(52,498,006)	(56,466,562)
Increase (decrease) in:		
Accounts payable, accrued and other liabilities	(7,151,069)	9,454,989
Due to insurance companies	(6,074,024)	66,774,102
Commissions payable	(86,384,469)	36,361,004
Contract liability	(129,844)	2,621,912
Net cash flows provided by operations	40,263,491	113,445,653
Interest received	139,831	148,085
Contributions to the retirement plan (Note 13)	(6,000,000)	(6,000,000)
Income tax paid (Note 14)	(18,435)	(20,010)
Net cash flows provided by operating activities	34,384,887	107,573,728
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment (Note 8)	(988,506)	(7,533,605)
Net cash flows used in investing activities	(988,506)	(7,533,605)
CASH FLOWS FROM FINANCING ACTIVITY		
Lease payments (Note 17)	(6,423,217)	(6,122,301)
Net cash flows used in financing activities	(6,423,217)	(6,122,301)
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,973,164	93,917,822
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	123,841,681	50,234,611
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱150,814,845	₱123,841,681

See accompanying Notes to Financial Statements.



AFDR INSURANCE BROKERS INC.
(FORMERLY GOTUACO DEL ROSARIO INSURANCE BROKERS, INC.)
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

AFDR Insurance Brokers Inc. (formerly Gotuaco Del Rosario Insurance Brokers, Inc.) (the Company) was incorporated in the Philippines on November 19, 1965. The Company was organized to act as broker for all its clients, soliciting and receiving applications for life and non-life insurance, collecting premiums on behalf of insurance companies and doing other activities as may be delegated to broker by such clients.

In a meeting held on April 23, 2015, the stockholders approved the extension of the corporate term of the Company for another fifty (50) years from November 19, 2015.

On June 29, 2015, the Securities and Exchange Commission (SEC) approved the application to extend corporate term for another fifty (50) years.

On July 4, 2024, the Securities and Exchange Commission approved the amendment of the Company's legal name from Gotuaco, Del Rosario Insurance Brokers, Inc. to AFDR Insurance Brokers Inc. The amendment was approved by majority vote of the Board of Directors (BOD) and by the stockholders on April 24, 2024.

The registered business address of the Company is 15th Floor, Chatham House, 116 Valero corner V.A. Rufino Streets, Salcedo Village, Makati City.

2. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of Preparation

The accompanying financial statements of the Company have been prepared on a historical cost basis, except for pension liability recognized at present value of the defined benefit obligation. The financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Company, and all amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Current versus Non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.



A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The adoption of these amendments did not have any significant impact on the financial statements, except as otherwise stated.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—*Volume 11*
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*



Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. **Material Accounting Policy Information**

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Financial Instruments - Initial Recognition and Subsequent Measurement
Date of recognition

The Company recognizes financial instruments when, and only when, the Company becomes a party to the contractual terms of the financial instruments.

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date, i.e., the date that an asset is delivered to or by the Company. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Company, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Company. Deposits, amounts due to banks and customers, and receivables are recognized when cash is received by the Company.

Classification of financial instruments

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Other financial liabilities are recognized at fair value, net of directly attributable transaction costs.

The Company has no financial instruments at FVOCI and at FVTPL as of December 31, 2024 and 2023.

a. Financial Assets at Amortized Cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any allowance for credit losses, with the calculated interest recognized as interest income in the statement of comprehensive income. The Company's financial assets at amortized cost include 'Cash and cash equivalents' and 'Receivables'.



b. Other Financial Liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations and borrowings.

After initial measurement, other financial liabilities are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the effective interest rate.

The Company's other financial liabilities include 'Due to insurance companies', 'Commissions payable', 'Contract liability', 'Lease liabilities' and other financial liabilities under 'Accounts payable, accrued and other liabilities'.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The amount of allowance for credit losses on receivables as of December 31, 2024 and 2023 is disclosed in Note 6.

For financial assets measured at amortized cost, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash in banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.



Derecognition of Financial Assets and Financial Liabilities
Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a. the contractual right to receive cash flows from the financial asset have expired;
- b. the Company retains the right to receive cash flows from the financial asset, but assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- c. the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

Where the Company has transferred its right to receive cash flows from a financial asset and has neither transferred nor retained substantially all the risks and rewards of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such modification is treated as a derecognition of the carrying value of the original liability and the recognition of a new liability at fair value, and any resulting difference is recognized in the statements of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of condition only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of solvency or bankruptcy of the Company and all of the counterparties.

Income and expenses are not offset in the statements of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the date of acquisition and are subject to an insignificant risk of change in value.



Commissions Receivable

In its capacity as an insurance broker, the Company collects insurance premiums from policyholders and, after deducting its commissions, remits the insurance premiums to various insurance companies. Policyholders may also remit insurance premiums directly to insurance companies, wherein the latter receives the premium including the commission portion which is payable to the broker. The commission portion collected by the insurance companies is considered as earned commission of the Company and is collectible at a future date.

Creditable Withholding Taxes

Creditable withholding taxes (CWT), included under "Other current assets" in the statements of financial position represent the amount withheld by customers from income payments to the Company less allowance for impairment losses. CWTs are deductible from income tax payable.

Prepayments

These are advance payments to various expenditures related to the business activities of the Company. They are recognized in the financial statements when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined. These are expensed in profit or loss on the basis of systematic and rational allocation procedures. The allocation procedures are intended to recognize expenses in the accounting periods in which the economic benefits associated with these items are consumed or expired.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

The initial cost of an item of property and equipment consist of its purchase price including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed asset has been put into operation, such as repairs and maintenance costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the assets are available for use. It ceases at the earlier of the date that it is classified as held-for-sale and the date the asset is derecognized. Depreciation is computed on a straight-line basis over the following useful lives:

	Years
Furniture and fixtures	10
Transportation equipment	5
Office equipment	4

Leasehold improvements are amortized over the estimated useful life of ten (10) years or term of the lease, whichever is shorter.

The assets' useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.



When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is reflected in statements of comprehensive income.

Impairment of Non-financial Assets

The carrying values of property, equipment and right-of-use asset, and CWT are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The estimated recoverable amount of these nonfinancial assets is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows the recoverable amount is determined for the cash generating unit to which the asset belongs. Any impairment losses are recognized in statements of comprehensive income.

Due to Insurance Companies and Claims Payable

Due to insurance companies pertain to premiums collected from policyholders but not yet remitted to insurance companies. Claims payable to policyholders pertain to claims collected from insurance companies but not yet remitted to the policyholders.

Contract Liability

Contract liability includes unamortized/unearned portion of the income from claims handling services. Claims handling service fees are recognized over the contract period.

Commissions Payable

Commissions payable represent the share of servicing officers in the commission income.

Leases

The Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received, if any. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the depreciable assets. The depreciation expense is presented under 'Depreciation and amortization' in the statements of comprehensive income.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The current lease contracts of the Company does not include transfer provisions. The EUL for right-of-use asset is 2-3 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of Nonfinancial Assets.



Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is acting as an agent in its revenue arrangements because it does not control the specified goods or services before these are transferred to the customer. Therefore, the Company's revenue is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

The following revenue recognition criteria must also be met before revenue is recognized:

Revenues within the scope of PFRS 15, Revenue from Contracts with Customers

Commission income

The Company recognizes commission income at a point in time upon collection of premiums from policyholders. The placement of an insurance policy, collection of premiums from policyholders and remittance of these collections to insurance companies are considered as a single distinct performance obligation. For the Company, commission income is recognized at the point in time when the Company has satisfied its performance obligation which is upon collection of premiums from policyholders. The obligation to remit is considered insignificant in relation to the other components of the performance obligation because the timing of remittance to insurance companies rests on the discretion of the Company.

Consequently, a portion of the consideration received from commissions is allocated to the claims handling services of the Company and the related revenue is recognized over time and amortized over the contract period as the Company performs the services. Any unamortized/uneared portion of the income from claims handling services as of reporting date is presented as 'Contract liability'.

Premiums collected are remittable to the insurer within the credit term of 90 days upon receipt of the insurance policy.



Revenues outside the scope of PFRS 15, Revenue from Contracts with Customers

Interest income

Interest is recognized on a time proportion basis computed based on the outstanding principal balance using applicable effective interest rate.

Miscellaneous income

Miscellaneous income is recognized in profit or loss when earned.

Cost and Expense Recognition

Expenses are recognized when decreases in future economic benefits related to decreases in assets or increases of liabilities have arisen and expenses can be measured reliably. Expenses are recognized as they are incurred.

Commission expense

Commission expense is recognized as incurred upon the invoicing of the policy from the insurance company. These include commissions paid as referrals to individuals for referring life and non-life policies. Rates applied on collected premiums vary depending on the type of product.

Other costs and expenses are recognized as incurred.

Income Tax

Current tax

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

Final tax

Final tax on interest income is presented in the statement of comprehensive income at the time interest is earned.

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

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

Current tax and deferred tax relating to items recognized directly in equity, if any, are also recognized in the statement of comprehensive income.



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

Value-Added Tax (VAT)

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

- When the VAT incurred on the purchase of an asset or service is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- when receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statements of financial position.

Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

Treasury Stock

Treasury stocks are the Company's common shares recorded at cost and are deducted from equity. No gain or loss is recognized in statements of comprehensive income on the purchase, sale, issue, or cancellation of the Company's common shares.

Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of net income or loss, dividend distributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments.

Retirement Benefits Cost

Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit (PUC) method.

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurement of the net defined benefit liability or asset.

Service cost, which includes current service cost, past service cost and any gain or loss on non-routine settlement, is recognized as expense in profit or loss. Past service cost is recognized when plan amendment or curtailment occurs.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense in the statements of comprehensive income. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to the financial statements when material.



4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- a) *Identifying performance obligations in brokerage agreements with claims handling services*
The Company provides brokerage services that are either sold separately or bundled together with claims handling services. Brokerage services consist of promise to place or sell an insurance policy, collect premiums from policyholders and remit the amounts collected to insurance companies. Claims handling services are a promise to transfer services in the future over the claims period and are part of the negotiated exchange between the Company and the insurance companies.

The Company determined that for brokerage services, the promise to place or sell an insurance policy, collect premiums from policyholders and remit the amounts collected to insurance companies are considered as a single distinct performance obligation as these represent a combined output and the Company would not be able to satisfy its performance obligation by transferring each of the services independently. For claims handling services, the Company determined that it is a separate and distinct performance obligation because the services are distinct within the context of the contract and are performed beyond the placement of insurance policies, collection, and remittance of premiums. Claims handling services qualify as a series of distinct performance obligations that are substantially the same and that have the same pattern of transfer to insurance companies. For some of the Company's contracts, the transaction price for claims handling services fees is embedded in the amount of commission that will be received by the Company. Consequently, the Company allocated a portion of the transaction price to the claims handling services based on relative stand-alone selling prices. The amount of contract liability is disclosed in Note 9.

b) *Principal versus agent considerations*

The Company enters into contracts with insurance companies to arrange for the provision of the specified service (i.e., place or sell insurance policies, collect premiums from policyholders and remit the amount collected to insurance companies). The Company determined that it does not control the specified goods or service (i.e., insurance policies) provided by the insurance companies before these are transferred to the customer (i.e., policyholder). The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is acting as an agent in these contracts.

- The Company is not primarily responsible for fulfilling the promise to provide the insurance coverage to policyholders.



- The Company has no discretion in establishing the price for the insurance policies.
- The Company's consideration in the contracts with insurance companies is only the commission amount based on the specified percentage of premiums collected from the policyholders.

In addition, the Company concluded that it transfers control over its services at a point in time, upon collection of premiums from the policyholders, because this is when the insurance companies benefit from the Company's brokerage service.

The carrying value of 'Due to insurance companies' is disclosed in Note 9.

- c) *Determining method to estimate variable consideration and assessing the constraint*
- The Company needs to estimate the amount of variable consideration to which it will be entitled. The method to be used in estimating variable consideration and assessing the constraint is not a policy choice and should be applied consistently throughout a contract. Management should use the method that it expects will best predict the amount of consideration to which the entity will be entitled based on the terms of each contract. Management's estimate of variable consideration will need to be reassessed at each reporting date based on changes in facts and circumstances.

As of December 31, 2024 and 2023, management has assessed not to constrain any amounts of the variable consideration included in the transaction price.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Determination of lease term of contracts with renewal and termination options (Company as a lessee)

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

The Company typically exercises its option to renew for these leases as these are reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 17 for information on the term of lease agreements.



Estimates and Assumptions

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities follow:

Estimation of allowance for expected credit losses

The allowance for expected credit losses relating to receivables is estimated based on management's evaluation of specific accounts. These are evaluated based on best available forward looking information in calculating ECL. Key areas of judgment include the Company's credit risk exposures or the inability of certain customers to meet their financial obligations; defining default; identifying exposures with significant deterioration in credit quality; and the expected life of the financial asset and expected recoveries from defaulted accounts. In these cases, judgment is used, based on the best available facts and circumstances, including but not limited to, the length of the Company's relationship with the other party, the other party's payment behavior and known market factors.

The allowance for expected credit losses is re-evaluated and adjusted as additional information received impacts the amounts estimated.

Refer to Note 6 for the carrying amount of receivables and related allowance for expected credit losses as of December 31, 2024 and 2023.

Estimation of probable losses on Creditable Withholding Tax (CWT)

The Company assessed the realizability of its CWT based on whether the Company can use these CWT as future tax credit against tax liabilities (refer to Note 7).

Estimation of retirement benefits

The Company's retirement benefits cost is actuarially computed which entails using certain assumptions with respect to salary increases, expected return on plan assets and discount rate, among others.

While the Company's management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in an assumption may materially affect the recorded retirement obligation and retirement expense.

As of December 31, 2024 and 2023, retirement benefit cost (excluding interest) amounted to ₱2.29 million and ₱2.37 million, respectively. Net retirement liability amounted to ₱6.53 million and ₱6.61 million as of December 31, 2024 and 2023, respectively (Note 13).

Recognition of deferred tax assets

The Company reviews the carrying amounts at each reporting date and adjusts the balance of deferred tax assets to the extent that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company recognized deferred tax assets amounting to ₱6.76 million and ₱7.22 million as of December 31, 2024 and 2023, respectively (Note 14).

As of December 31, 2024 and 2023, the Company has unrecognized deferred tax asset amounting to ₱11.28 million and ₱2.70 million, respectively (Note 14).

Estimating the incremental borrowing rate for leases

If the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The



IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

The Company's lease liabilities amounted to ₱9.76 million and ₱14.87 million as of December 31, 2024 and 2023, respectively (Note 17).

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	₱23,000	₱23,000
Cash in banks	150,255,502	123,282,338
Short-term cash investments	536,343	536,343
	₱150,814,845	₱123,841,681

In 2024 and 2023, cash in banks earned fixed annual interest rate of 0.06% to 0.125% and 0.03% to 0.125%, respectively. In 2024 and 2023, short-term cash investments are made at varying periods up to three (3) months depending on the immediate cash requirements of the Company, and earned annual interest rate of 1.25% and 1.75%, respectively.

Interest income earned from cash and cash equivalents amounted to ₱0.14 million and ₱0.15 million in 2024 and 2023, respectively.

6. Receivables

This account consists of:

Current receivables

	2024	2023
Commissions receivable	₱39,267,295	₱33,654,219
Receivable from insurance companies' clients	37,954,088	36,519,960
Refunds due from insurance companies	7,438,913	5,731,576
Due from officers and employees (Note 15)	5,876,360	3,493,341
	90,536,656	79,399,096
Less allowance for credit losses	(45,120,664)	(3,285,053)
	₱45,415,992	₱76,114,043

Noncurrent receivables

	2024	2023
Due from officers and employees (Note 15)	₱14,284,771	₱17,398,151
Less allowance for credit losses	-	(40,989)
	₱14,284,771	₱17,357,162



Commissions receivable pertain to commissions or brokerage fees earned but not yet received from the insurance companies, as a result of insurance transaction. As of December 31, 2024 and 2023, the commissions receivable arising from direct premium payments of the policyholders to the insurance companies amounted to ₱39.27 million and ₱33.65 million, respectively.

Receivable from insured pertains to the premiums of insurance coverage of insured that are not yet paid as of December 31, 2024 and 2023.

Amounts due from officers and employees include interest-bearing loans pertaining to car plan and salary loans, granted to the Company's officers and employees. In 2024 and 2023, interest rates ranged from 4.00% to 6.00% payable in 4 to 5 years. Accretion of interest income from receivables from officers amounted to ₱0.04 million in 2024 and in 2023. For the terms and conditions of related party transactions, refer to Note 15.

Refunds due from insurance companies pertain to the receivables from insurance companies due to the Company's over-remittance of premiums. As of December 31, 2024 and 2023, the refunds due from insurance companies amounted to ₱7.44 million and ₱5.73 million, respectively.

Details and changes in the allowance for credit losses follow:

	2024	2023
Balance at the beginning of the year		
Refunds due from insurance companies	₱2,491,621	₱-
Commissions receivables	793,432	3,370,716
Due from officers and employees	40,989	40,989
Provisions (reversal) for probable losses	3,326,042	3,411,705
Receivable from insured	32,667,142	-
Commission receivables	4,821,723	(2,577,284)
Refunds due from insurance companies	3,239,956	2,491,621
Due from officers and employees	1,065,801	-
	41,794,622	(85,663)
Balance at the end of year		
Receivable from insured	32,667,142	2,491,621
Refunds due from insurance companies	5,731,577	-
Commission receivables	5,615,155	793,432
Due from officers and employees	1,106,790	40,989
	₱45,120,664	₱3,326,042

7. Other Current Assets and Other Noncurrent Assets

This account consists of:

	2024	2023
<i>Other current assets</i>		
Creditable withholding tax	₱58,401,169	₱51,056,557
Prepayments	3,192,109	2,996,706
Input VAT	-	219,794
	₱61,593,278	₱54,273,057



Other noncurrent assets

	2024	2023
Creditable withholding tax	₱264,724,639	₱269,027,059
Less allowance for impairment losses	(218,577,208)	(154,689,498)
	₱46,147,431	₱114,337,562

Movement in the allowance for impairment losses is as follows:

	2024	2023
Beginning balances	₱154,689,498	₱135,525,580
Provisions during the year	63,887,710	19,163,918
Ending balances	₱218,577,208	₱154,689,498

Creditable withholding tax arises from taxes withheld by insurance companies on commissions earned by the Company. In 2024 and 2023, the Company applied creditable withholding tax amounting to ₱49.48 million and ₱14.15 million, respectively, against its current income tax liability.

8. Property and Equipment

The composition and movements of this account follow:

	2024				Total
	Furniture and Fixtures	Transportation Equipment	Office Equipment	Leasehold Improvements	
Cost					
Beginning balance	₱3,197,579	₱15,235,519	₱18,670,466	₱4,279,107	₱41,382,671
Retirement	—	(15,102,572)	(4,924,518)	(491,407)	(20,518,497)
Additions	—	—	988,506	—	988,506
Ending balance	3,197,579	132,947	14,734,454	3,787,700	21,852,680
Accumulated depreciation and Amortization					
Beginning balance	(3,008,453)	(10,453,089)	(15,604,766)	(3,268,385)	(32,334,693)
Retirement	—	15,102,572	4,924,518	491,407	20,518,497
Depreciation and amortization for the year	(51,747)	(4,736,523)	(1,073,852)	(147,660)	(6,009,782)
Ending balance	(3,060,200)	(87,040)	(11,754,100)	(2,924,638)	(17,825,978)
Net Book Value	₱137,379	₱45,907	₱2,980,354	₱863,062	₱4,026,702

	2023				Total
	Furniture and Fixtures	Transportation Equipment	Office Equipment	Leasehold Improvements	
Cost					
Beginning balance	₱3,193,279	₱9,364,358	₱17,458,835	₱3,832,594	₱33,849,066
Additions	4,300	5,871,161	1,211,631	446,513	7,533,605
Ending balance	3,197,579	15,235,519	18,670,466	4,279,107	41,382,671
Accumulated depreciation and Amortization					
Beginning balance	(2,951,983)	(9,011,002)	(14,060,448)	(3,151,066)	(29,174,499)
Depreciation and amortization for the year	(56,470)	(1,442,087)	(1,544,318)	(117,319)	(3,160,194)
Ending balance	(3,008,453)	(10,453,089)	(15,604,766)	(3,268,385)	(32,334,693)
Net Book Value	₱189,126	₱4,782,430	₱3,065,700	₱1,010,722	₱9,047,978

The cost of fully depreciated property and equipment still being used by the Company as of December 31, 2024 and 2023 amounted to ₱12.16 million and ₱27.50 million, respectively.



9. Due to Insurance Companies and Contract Liability

Due to Insurance Companies

Due to insurance companies pertain to premiums collected from policyholders but not yet remitted to insurance companies. As of December 31, 2024 and 2023, due to insurance companies amounted to ₱85.44 million and ₱91.52 million, respectively.

Contract Liability

This account includes unamortized/unearned portion of the income from claims handling services. As discussed in Note 3, claims handling service fees are recognized over the contract period.

The changes and movements in contract liability are as follows:

	2024	2023
Balance as of January 1	₱8,227,643	₱5,605,732
Deferred during the year	23,279,001	24,187,436
Recognized to income during the year	(23,408,845)	(21,565,525)
Balance as of December 31	₱8,097,799	₱8,227,643

The remaining performance obligations are expected to be recognized as follows:

	2024	2023
Within one year	₱4,730,972	₱6,407,637
Over a year	3,366,827	1,820,006
Balance as of December 31	₱8,097,799	₱8,227,643

For the years ended December 31, 2024 and 2023, the commission income recognized amounting to ₱374.41 million and ₱358.03 million, respectively, includes the earned portion of the contract liability amounting to ₱23.41 million in 2024 and ₱21.57 million in 2023.

10. Accounts payable, Accrued and Other Liabilities

This account consists of:

	2024	2023
Financial liabilities		
Accounts payable	₱24,496,356	₱29,305,715
Accrued expenses	3,767,673	1,823,177
Claims payable	167,293	151,751
Other financial liabilities	10,537,169	10,558,036
	38,968,491	41,838,679
Non-financial liabilities		
VAT payable	25,431,692	28,187,482
Withholding tax payable	2,054,228	3,790,050
Other non-financial liabilities	10,848,441	537,413
	38,334,361	32,514,945
	₱77,302,852	₱74,353,624

Accounts payable pertain to direct deposits from policyholders and insurance companies that have yet to be identified as of report date.



Accrued expenses mainly pertain to consultancy fees payable to agents and professional fees which are payable within one year.

Claims payable pertain to claims collected from insurance companies but not yet remitted to the policyholders.

Other financial liabilities include excess collections received from policyholders which are due to be remitted within one year

Other non-financial liabilities include payables due to government agencies, and reserves for contingency expenses. The Company has established provision for certain regulatory matters, where a potential cash outflow is probable and reliable estimate can be made of the amount of the outflow. These provisions represent best estimate of the financial effect for these matters. Disclosure of additional details beyond the present disclosure may prejudice the Company's position. Thus, as allowed by PAS 37, only general disclosures were provided.

11. **Equity**

Capital Stock

The Company's authorized, issued and outstanding capital stock as of December 31, 2024 and 2023 consists of:

	Shares	Amount
Common stock - ₱100.00 par value		
Class A	245,000	₱24,500,000
Class B	105,000	10,500,000

There were no issuances of capital stock in 2024 and 2023.

Retained Earnings

There were no declarations of dividends in 2024 and 2023.

The balance of retained earnings restricted for dividend declaration equivalent to the cost of treasury stock amounted to ₱3.62 million as of December 31, 2024 and 2023.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximize shareholder value.

The Company considers the following as sources of capital:

	2024	2023
Capital stock	₱35,000,000	₱35,000,000
Retained earnings	44,188,803	26,177,483
Treasury stock	(3,619,650)	(3,619,650)
	₱75,569,153	₱57,557,833



The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to stockholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and process during the years ended December 31, 2024 and 2023.

Minimum Paid-up Capital Requirement

As of December 31, 2024 and 2023, the Company has complied with the ₱20.00 million paid-up capital requirement imposed by the Insurance Commission (IC) and SEC.

Minimum Net Worth Requirement

As provided under Section 3 of IC Circular Letter No. 2018-52, existing licensed insurance and/or reinsurance brokers are required to maintain ₱10.00 million net worth requirement.

As of December 31, 2024, based on internal computations, the Company's net worth amounted to ₱60.71 million.

12. Personnel Costs

This account consists of:

	2024	2023
Salaries, wages and allowances	₱38,094,840	₱41,243,307
Retirement benefits cost (Note 13)	2,929,929	2,366,737
Other compensation expenses	4,861,482	3,732,925
	₱45,886,251	₱47,342,969

Other compensation expenses include seminars or trainings, and employee benefits, such as SSS, PhilHealth, and Pag-ibig.

13. Retirement Plan

The Company has a funded, noncontributory defined benefit pension plan covering all of its regular employees. The plan is administered by a Bank of the Philippine Islands (BPI) Asset Management and Trust Corporation as trustee.

Total retirement benefits cost (including interest) recognized in the statements of comprehensive income follows:

	2024	2023
Current service cost (Note 12)	₱2,929,929	₱2,366,737
Interest cost (income)*	261,623	(93,891)
	₱3,191,552	₱2,272,846

**presented as part of 'Interest expense' in the statement of comprehensive income*



Changes in the present value of obligation follow:

	2024	2023
January 1	₱54,131,755	₱42,517,669
Current service cost	2,929,929	2,366,737
Interest cost	3,318,277	3,061,272
Benefits paid	(1,325,262)	(1,281,240)
Remeasurement loss due to change in financial assumptions	1,055,724	7,467,317
December 31	₱60,110,423	₱54,131,755

Benefits paid on defined benefit obligation pertain to payment of early retirement benefits out of the Company's fund.

Changes in the fair value of plan assets follow:

	2024	2023
January 1	₱47,526,480	₱41,462,327
Contributions	6,000,000	6,000,000
Interest income included in net interest cost	3,056,654	3,155,163
Benefits paid	(1,325,262)	(1,281,240)
Remeasurement losses	(1,673,393)	(1,809,770)
December 31	₱53,584,479	₱47,526,480

Net pension liability recognized in the Company's statements of financial position as of December 31 follows:

	2024	2023
Present value of obligation	₱60,110,423	₱54,131,755
Fair value of plan assets	(53,584,479)	(47,526,480)
Net pension liability	₱6,525,944	₱6,605,275

Movements of net pension liability follow:

	2024	2023
January 1	₱6,605,275	₱1,055,342
Contributions to plan assets	(6,000,000)	(6,000,000)
Remeasurement losses during the year	2,729,117	9,277,087
Retirement benefits cost (including interest)	3,191,552	2,272,846
December 31	₱6,525,944	₱6,605,275

Movements in other comprehensive income are as follows:

	2024	2023
Remeasurement losses at January 1	₱12,815,553	₱5,857,738
Remeasurement losses during the year	2,729,117	9,277,087
Current tax effect	(682,279)	(2,319,272)
Remeasurement losses at December 31	₱14,862,391	₱12,815,553



The latest actuarial valuation of the Company's pension plan was as of December 31, 2024. The assumptions used to determine retirement benefit cost and liability as of December 31, 2024 and 2023 follow:

	2024	2023
Discount rate	6.08%	6.13%
Salary increase rate	10.00%	10.00%

The distribution of the plan assets as of December 31, 2024 and 2023 follows:

Assets	2024	2023
Cash	₱520	₱526
Investments in Mutual Funds	50,916,196	44,380,291
Investments in Unit Investment Trust Funds	2,679,800	3,156,439
	53,596,516	47,537,256
Liability		
Trust fee payable	12,037	10,776
	₱53,584,479	₱47,526,480

The carrying amounts disclosed above reasonably approximate fair values at year-end. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The actual return on plan assets amounted to ₱1.38 million and ₱1.35 million in 2024 and 2023, respectively.

The Company expects to contribute ₱6.00 million to the fund in 2024.

The sensitivity analyses that follow has been determined based on reasonably possible changes of the assumption occurring as of December 31, 2024 and 2023, assuming if all other assumptions were held constant.

	2024	2023
Assumptions	Increase (Decrease)	Impact on present defined benefit obligation
Discount rate	1.00%	(₱3,252,159)
	-1.00%	3,762,223
Salary rate	1.00%	3,582,959
	-1.00%	(3,170,762)
		Impact on present defined benefit obligation
		(₱3,390,703)
		3,941,478
		3,755,181
		(3,307,497)

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Company's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments.



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

	2024	2023
One year	₱10,510,968	₱2,743,423
Two years	2,691,575	9,359,703
Three years	2,823,096	2,382,120
Four years	43,223,049	2,495,919
Five years	694,817	38,339,913
Six years and above	6,617,687	6,410,341

14. Income Tax

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to RA No. 11534 or the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

The Company computed MCIT using the 2% in accordance with RMC 69-2023. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense for a service company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Provision for income tax consists of:

	2024	2023
Current		
RCIT	₱49,480,207	₱14,241,571
Final tax	18,435	20,010
	49,498,642	14,261,581
Deferred	1,140,844	434,989
	₱50,639,486	₱14,696,570

The reconciliation of the provision for income tax computed at the statutory income tax rate of 25.00% to the provision for income tax as shown in the statements of comprehensive income follows:

	2024	2023
Provision for income tax computed at statutory income tax rate of 25.00%	₱18,623,089	₱6,351,035
Adjustments for tax effects of:		
Nondeductible expenses	24,903,097	852,797
Nontaxable income and income subject to final tax	(4,609)	(5,003)
Change in unrecognized deferred tax assets and others	8,578,296	7,497,741
Provision for income tax	₱50,639,486	₱14,696,570



The components of the Company's net deferred tax assets as of December 31, 2024 and 2023 follow:

	2024	2023
Presented in profit or loss		
<i>Deferred tax assets</i>		
Unamortized past service cost	₱2,865,822	₱2,566,457
Contract liability	2,024,410	–
Leases	225,846	74,112
Accrued rent	14,279	14,279
Accruals	–	2,236,504
Allowance for credit losses	–	677,777
<i>Deferred tax liability</i>		
Pension obligation	(3,322,644)	(2,620,532)
	1,807,713	2,948,597
Presented in OCI		
Deferred tax asset on remeasurement loss on pension liability	4,954,130	4,271,810
Net deferred tax assets	₱6,761,843	₱7,220,407

In 2024 and 2023, provision for deferred income tax charged directly to profit or loss amounted to ₱1.14 million and ₱0.43 million, respectively. In 2024 and 2023, benefit from deferred income tax charged directly to OCI amounted to ₱0.68 million and ₱2.32 million, respectively.

As of December 31, 2024 and 2023, the Company's unrecognized deferred tax assets follow:

	2024	2023
Allowance for credit losses	₱11,280,166	₱153,733
Contract liability	–	2,056,911
Accruals	–	491,668
	₱11,280,166	₱2,702,312

15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control. Related parties may be individuals or corporate entities.

The Company in its regular conduct of business has entered into transactions with affiliates and other related parties principally consisting of advances and commission. The Company's policy is to settle its intercompany receivables and payables on a net basis.



The statements of financial position include the following amounts resulting from the foregoing transactions which represent the net amounts of receivable from (payable to) related parties:

2024					
	Relationship	Amount/ Volume	Outstanding Balance Receivables (Payables)	Terms	Conditions
(a) Due from officers and employees*					
Lawrence J. Gotuaco	Director/Chairman	₱1,143,724	₱362,064	Non-interest bearing, collectible on demand	Unsecured, unimpaired
Arthur L. Panganiban Jr.	Director/ President	67,500	10,200,018	Interest bearing, 20 years	Unsecured, unimpaired
Margaret R Isleta	Director	689,433	67,366		
Hans V. del Rosario	Director	36,732	37,982		
Ma. Rowena R. Nicolas	Director/SVP-EB Dept	507,363	514,034		
Juan Antonio H. Inocentes	Director/SVP-PC Dept	157,004	173,387		
Andrew P. Gotuaco	Director/ Stockholder	9,495,378	345,838		
Employees and officers	Employees	3,512,626	8,460,442	Non-interest bearing, collectible on demand	Unsecured
		₱15,609,760	₱20,161,131		
(b) Commissions Payable					
Albert F del Rosario	Stockholder	₱21,671,656	(21,671,656)	Non-interest bearing, payable on demand	Unsecured
Andrew Gotuaco	Director/ Stockholder	22,375,261	(31,801,118)	Non-interest bearing, payable on demand	Unsecured
Margarete R. Isleta	Stockholder	3,641,090	(4,382,746)	Non-interest bearing, payable on demand	Unsecured
Hans V. del Rosario	Director	3,189,175	(1,373,757)	Non-interest bearing, payable on demand	Unsecured
Arthur L. Panganiban Jr.	Director/President	4,483,866	(1,232,237)	Non-interest bearing, payable on demand	Unsecured
Ma. Rowena R. Nicolas	Director	6,166,170	(5,782,088)	Non-interest bearing, payable on demand	Unsecured
Juan Antonio H. Inocentes	Director	700,361	(447,955)	Non-interest bearing, payable on demand	Unsecured
Employees and officers	Employees	21,471,226	(15,286,441)	Non-interest bearing, payable on demand	Unsecured
		₱83,698,805	(₱85,455,563)	**	

*Other than the ₱1.11 million due from officers/employees which was already fully provided, all remaining due from officers/employees are collectible.

**Out of the total ₱90.06 million commission payable balances, ₱5.19 million is due to foreign partners

2023					
	Relationship	Amount/ Volume	Outstanding Net Receivables (Payables)	Terms	Conditions
(a) Due from officers and employees*					
Lawrence J. Gotuaco	Director/Chairman	(₱434,306)	₱1,478,363	Non-interest bearing, collectible on demand	Unsecured, unimpaired
Arthur L. Panganiban Jr	Director/ President	(240,054)	9,796,960	Interest bearing, 20 years	Unsecured, unimpaired
Employees and officers	Employees	260,399	9,616,169	Non-interest bearing, collectible on demand	Unsecured*
		₱413,961	₱20,891,492		
(b) Commissions Payable					
Albert F del Rosario	Stockholder	(₱28,432,493)	(56,366,712)	Non-interest bearing, payable on demand	Unsecured
Andrew Gotuaco	Director/ Stockholder	7,489,552	(27,996,982)	Non-interest bearing, payable on demand	Unsecured
Margarete R. Isleta	Stockholder	482,574	(3,963,013)	Non-interest bearing, payable on demand	Unsecured
Employees and officers	Employees	56,721,370	(87,105,281)	Non-interest bearing, payable on demand	Unsecured
		₱36,261,003	(₱175,431,988)	**	

*Other than the ₱0.40 million due from officers/employees which was already fully provided, all remaining due from officers/employees are current and collectible **Out of the total ₱176.45 million commission payable balances, ₱1.02 million is due to foreign partners



- a. Due from officers and employees include interest-bearing loans pertaining to car plan and salary loans, granted to the Company's officers and employees.
- b. Commissions payable represent the share of servicing officers in the commission income.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Other than the ₱1.11 million due from officers /employees in 2024 and ₱0.40 million due from officers/employees in 2023, all remaining due from officers/employees are current and collectible. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Remunerations of Directors and other Key Management Personnel

In 2024 and 2023, compensation of key management personnel representing short-term benefits amounted to ₱30.93 million and ₱27.09 million, respectively.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director, whether executive or otherwise, of that entity.

16. Financial Risk Management Objectives and Policies

Fair Value of Financial Assets and Financial Liabilities

Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, due from officers and employees, commission receivables, refunds due from insurance companies, accounts payable, accrued and other liabilities, due to insurance companies and commissions payable approximate the amount of consideration at the time of initial recognition.

Fair Value Hierarchy

The table below presents the Company's financial instruments carried at fair value by valuation method as of December 31, 2024 and 2023. The different levels have been defined as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

There were no transfers between Level 1, 2 and 3 in 2024 and 2023.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments as to financial assets and financial liabilities consist of receivables and due to insurance companies, respectively. The Company has various other financial assets and financial liabilities such as cash and cash equivalents, due from officers and employees, commission receivables, refunds due from insurance companies, due to insurance companies, accounts payable, accrued and other liabilities and commissions payable, respectively, which arise directly from its operations.



It is, and has been throughout the year, the Company's policy that no free-standing derivatives or trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and foreign currency risk. The BOD reviews and agrees on policies for managing each of these risks which are summarized below.

Credit risk

Credit risk arise from the inability of its clients to make payments when due. It is the Company's policy to provide credit terms to credit-worthy third parties. The Company closely monitors the receivables and does not expect to incur material credit losses. The carrying amounts of receivables, net of amounts due to insurance companies and commissions payable, represent the Company's maximum exposure to credit risk in relation to financial assets. There is no significant concentration of credit risk within the Company.

The maximum exposure to credit risk for the Company's financial assets, without taking to account any collateral and other credit enhancement follows:

	2024	2023
Cash and cash equivalents* (Note 5)	₱150,791,845	₱123,818,681
Receivables (Note 6)**	59,700,763	93,471,205
	₱210,492,608	₱217,289,886

*Excluding cash on hand amounting ₱0.02 million in 2024 and 2023.

**Net of allowance for credit losses amounting to ₱45.12 million in 2024 and ₱3.33 million in 2023

The credit quality of cash and cash equivalents is based on the nature of the counterparty and the Company's internal rating system.

Due from officers and employees, commissions receivable and refunds due from insurance companies that are neither past due nor impaired are classified as "high grade" or "standard grade" if these are expected to be collected or liquidated on or before their due dates, or upon call by the Company if there are no pre-determined defined due dates. Financial assets that are past due are either classified as "impaired" or "not impaired".

Under PFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due.

The following tables summarize the credit quality of the Company's financial assets as of December 31, 2024 and 2023 (gross of allowance for credit losses):

	2024				
	Neither past due nor impaired				
	High Grade	Standard Grade	Past Due but not Impaired	Past Due and Impaired	Total
Loans and receivables:					
Cash in banks and cash equivalents	₱-	₱150,814,845	₱-	₱-	₱150,814,845
Due from officers and employees	-	19,054,341	-	1,106,790	20,161,131
Receivable from insurance companies' clients	-	5,286,946	-	32,667,142	37,954,088
Commissions receivable	-	33,652,140	-	5,615,155	39,267,295
Refunds due from insurance companies	-	-	1,707,336	5,731,577	7,438,913
	₱-	₱208,808,273	₱1,707,336	₱45,120,664	₱255,636,272



2023

	Neither past due nor impaired				Total
	High Grade	Standard Grade	Past Due but not Impaired	Past Due and Impaired	
Loans and receivables:					
Cash in banks and cash equivalents	P-	123,818,681	P23,000	P-	P123,841,681
Receivable from insurance companies*, clients	-	-	36,519,960	-	36,519,960
Due from officers and employees	-	20,891,492	-	40,989	20,932,481
Commissions receivable	-	32,860,786	-	793,433	33,654,219
Refunds due from insurance companies	-	3,239,955	-	2,491,621	5,731,576
	P-	180,810,914	P36,542,960	P 3,326,043	P220,679,917

Liquidity risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising fund to meet commitments from financial instruments.

The Company's objective is to be able to finance capital expenditures and working capital requirements. The Company uses internally generated funds from operating and investing activities. Projected and actual cash flow information is regularly evaluated and funding sources such as bank loans are continuously assessed.

The following tables summarize the maturity analysis of the Company's financial assets held for managing liquidity and financial liabilities based on contractual undiscounted receipts and payments:

	2024				Total
	On demand	Less than 3 Months	3 to 12 Months	Over 12 months	
Financial Assets					
Cash and cash equivalents	P150,814,845	P-	P-	P-	P150,814,845
Due from officers and employees	13,415,361	309,564	229,131	879,628	14,833,684
Receivable from insurance companies*, clients	37,954,088	-	-	-	37,954,088
Commissions receivable	39,267,295	-	-	-	39,267,295
Refunds due from insurance companies	7,438,913	-	-	-	7,438,913
Financial Liabilities					
Accounts payable, accrued and other liabilities	(77,302,852)	-	-	-	(77,302,852)
Due to insurance companies*	(85,443,921)	-	-	-	(85,443,921)
Commissions payable	(39,443,992)	(5,825,007)	(16,879,062)	(27,916,141)	(90,064,202)
Lease liabilities	-	(1,381,741)	(3,736,368)	(4,637,406)	(9,755,515)
Contract liability	-	(711,485)	(1,395,478)	(5,990,836)	(8,097,799)
	P46,699,737	(7,608,669)	(P21,781,777)	(P37,664,755)	(20,355,464)

*Pertains to premiums collections for remittance to insurance companies as of December 31, 2024.

	2023				Total
	On demand	Less than 3 Months	3 to 12 Months	Over 12 months	
Financial Assets					
Cash and cash equivalents	P123,305,338	P536,343	P-	P-	P123,841,681
Due from officers and employees	20,850,503	-	-	40,989	20,891,492
Receivable from insurance companies*, clients	36,519,960	-	-	-	36,519,960
Commission receivables	33,654,219	-	-	-	33,654,219
Refunds due from insurance companies	5,731,575	-	-	-	5,731,575
Financial Liabilities					
Accounts payable, accrued and other liabilities	(74,353,624)	-	-	-	(74,353,624)
Due to insurance companies*	(91,517,945)	-	-	-	(91,517,945)
Commissions payable	(176,448,671)	-	-	-	(176,448,671)
Lease liabilities	-	(1,369,051)	(4,095,863)	(9,407,712)	(14,872,626)
Contract liability	-	(291,534)	(4,037,177)	(3,898,932)	(8,227,643)
	(P122,258,645)	(P1,124,242)	(P8,133,040)	(P13,326,655)	(P144,781,582)

*Pertains to premiums collections for remittance to insurance companies as of December 31, 2023.



Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to foreign currency risk arises mainly when financial assets, financial liabilities, and forecasted transactions are denominated in a currency other than the Company's local currency or will be denominated in such a currency in the planned course of business. The principal foreign currency risk to which the Company is exposed involves the United States Dollar (\$). Foreign currency risk is monitored and analyzed systematically and is managed by the Company.

The Company's foreign currency-denominated monetary assets and liabilities and their Peso equivalents follow:

	2024		2023	
	In U.S. Dollar	In Philippine Peso ⁽¹⁾	In U.S. Dollar	In Philippine Peso ⁽²⁾
Assets				
Cash and cash equivalents	580,600	33,584,799	226,346	12,524,875
Commissions receivable	2,007	75,946	5,850	322,812
Liabilities				
Due to insurance companies	(15,113)	(571,951)	(36,557)	(2,060,419)
Net receivable (payable) denominated in foreign currency	567,494	33,088,801	195,639	10,787,268

⁽¹⁾ The exchange rate used was ₱57.845 to US\$1.00

⁽²⁾ The exchange rate used was ₱55.370 to US\$1.00

The following table represents the sensitivity to a reasonably possible change in the Philippine Peso to US dollar with all variables held constant of the Company's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Currency	Increase (decrease) in US dollar rate	Effect on income (loss) before income tax	
2024	U.S. Dollar	+4.28%	₱1,415,763	
		-4.28%	(1,415,763)	
2023	U.S. Dollar	+0.70%	₱75,111	
		-0.70%	(75,111)	

17. Leases

The Company entered into two (2) lease contracts with Asia Insurance (Philippines) Corporation for its office and parking spaces and pays rentals on a monthly basis. The lease contracts are for periods ranging from two (2) to three (3) years from the dates of contracts and are renewable under certain terms and conditions. The terms and conditions of the original lease contract remain in effect with the exception of the rate of monthly rental.

The Company also entered into an agreement for the lease of printer and photocopy machines located in the office. The lease contracts for printer and photocopy machines are short-term. The Company opted not to recognize right-of-use assets and lease liabilities on its short-term leases. Accordingly, lease payments for leased machines are recorded as 'rent expense' by the Company in its statement of comprehensive income.



The two (2) lease contracts with Asia Insurance (Philippines) Corporation will expire in February 2025 and September 2026, respectively. In February 2025, the first lease contract mentioned is renewed from March 2025 to February 2027. Details of the outstanding lease contracts are as follows:

2-year lease contract	March 2023 to February 2025	Lease contract for office and parking spaces
3-year lease contract	October 2023 to September 2026	

The carrying amount of the Company's right-of-use assets as of December 31, 2024 and 2023 and the movements during the period are as follows:

Cost	2024	2023
Beginning Balance	₱16,745,306	₱14,816,793
Additions	—	16,745,306
Terminations	—	(14,816,793)
Ending Balance	16,745,306	16,745,306
Accumulated depreciation		
Beginning Balance	(2,169,131)	(11,473,544)
Depreciation	(5,724,043)	(5,512,380)
Terminations	—	14,816,793
Ending Balance	(7,893,174)	(2,169,131)
Net book value	₱8,852,132	₱14,576,175

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use asset for all leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liability was recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate ranging from 8.14% to 8.95% for December 31, 2024 and ranging from 6.78% to 6.99% for December 31, 2023.

The carrying amount of the Company's lease liabilities as of December 31, 2024 and 2023 and the movements during the period are as follows:

	2024	2023
Balance at beginning of year	₱14,872,626	₱3,713,216
Additions	—	16,745,306
Interest expense on lease liabilities	1,306,106	536,405
Payments	(6,423,217)	(6,122,301)
Balance at end of year	₱9,755,515	₱14,872,626

Shown below is the maturity analysis of the remaining lease liabilities:

	2024	2023
Current lease liabilities	₱3,590,667	₱5,472,574
Noncurrent lease liabilities	6,164,848	9,400,052
Balance at end of year	₱9,755,515	₱14,872,626



For the years ended December 31, 2024 and 2023, the statements of comprehensive income show the following amounts related to leases:

	2024	2023
Depreciation and amortization	₱5,724,043	₱5,512,380
Interest expense	1,306,106	536,405
Rent expense	273,997	229,097
	₱7,304,146	₱6,277,882

Rent expense for the years ended December 31, 2024 and 2023 amounting to ₱0.27 million and ₱0.23 million, respectively, pertains to leases other than the office space which are considered short-term.

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

	2024	2023
Within one year	₱5,606,114	₱6,536,785
More than one year	4,191,698	10,155,068
	₱9,797,812	₱16,691,853

18. Contingencies

The Company has no contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable as of December 31, 2024. No allowance for probable losses arising from legal contingencies was recognized in the Company's financial statements in 2024.

19. Events after the Reporting Period

There have been no events subsequent to December 31, 2024 that the Company needs to report.

20. Approval of Release of the Financial Statements

The accompanying comparative financial statements of the Company were approved and authorized for issue by the BOD on October 6, 2025.

21. Supplementary Information Under Revenue Regulations No. 15-2010 and 34-2020

On November 25, 2010, the BIR issued Revenue Regulations No. 15-2010, requiring the inclusion of information on various taxes paid and accrued during the taxable year in the notes to the financial statements.

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

Output value-added tax (VAT)

The Company is a VAT-registered company with VAT output tax declaration of ₱40,949,015 for the year based on the amount received and collected as commissions and other fees amounting ₱341,241,793.



Input VAT

Input VAT as of December 31, 2024 is shown below:

Balance at beginning of year	₱219,794
Add: Current year's domestic purchase for:	
Goods	86,490
Amortization of input VAT on capital goods	114,221
Services	14,254,561
Application of input VAT against output VAT	14,675,066
Balance at end of year	14,675,066
	₱-

The amount of VAT payable as of December 31, 2024 consists of the following:

Output VAT	₱34,306,802
Input VAT	8,875,110
Tax credits/payments	-
VAT payable	₱25,431,692

Withholding Taxes

Details of the total remittances in 2024 and balances as of December 31, 2024 follow:

	Total	Balance
Expanded withholding taxes	₱14,751,205	₱1,613,922
Withholding taxes on compensation	5,827,388	440,306
	₱20,578,593	₱2,054,228

Total remittances pertain to tax payments made for the reporting period covering January 2024 to November 2024. The outstanding withholding tax payable balance represents the withholding taxes as of December 2024.

Taxes and Licenses

For the year ended December 31, 2024, the Company recognized taxes and licenses as follows:

Registration and permit fees	₱2,885,780
Others	10,500
	₱2,896,280

Custom Duties and Excise Taxes

There are no customs duties paid during the year as the Company has no importations. Further, no excise taxes were paid since the Company has no products subject to excise taxes.

RR No. 34-2020

On December 18, 2020, the BIR issued RR No. 34-2020 to streamline the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the Related Party Transactions Form, together with the Annual Income Tax Return.



The Company is not covered by the requirements and procedures for related party transactions provided under this RR as it is exempt from income tax under Section 30 of the Tax Code, as clarified by Revenue Memorandum Circular No. 54-2021, Clarifies Certain Provisions of RR No. 34-2020.

Tax Assessments and Cases

On May 31, 2024, the Company has received a Letter of Authority from the Bureau of Internal Revenue (BIR) to submit to the BIR its books of accounts and related records for the verification of taxable year 2023. On June 25, 2024, the Company transmitted to the BIR the required documents for review. On October 31, 2024, the Company settled the tax assessment at amounting to ₱0.80 million.





Building a better
working world

Sycip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines
Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AFDR Insurance Brokers Inc.
(formerly Gotuaco Del Rosario Insurance Brokers, Inc.)
15th Floor, Chatham House
116 Valero corner V.A. Rufino Streets
Salcedo Village, Makati City

We have audited the accompanying financial statements of AFDR Insurance Brokers Inc. (the Company) as at and for the year ended December 31, 2024 on which we have rendered the attached report dated October 6, 2025.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has four (4) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Bernadette L. Ramos
Bernadette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

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

BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027

PTR No. 10465367, January 2, 2025, Makati City

October 6, 2025





**Building a better
working world**

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
AFDR Insurance Brokers Inc.

(formerly Gotuaco Del Rosario Insurance Brokers, Inc.)
15th Floor, Chatham House
116 Valero corner V.A. Rufino Streets
Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AFDR Insurance Brokers Inc. (the Company) as at and for the year ended December 31, 2024, and have issued our report thereon dated October 6, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Insurance Commission Circular Letter Nos. 2021-65 and 2021-69 are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bernadette L. Ramos
Bernadette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

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

BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027
PTR No. 10465367, January 2, 2025, Makati City

October 6, 2025



AFDR INSURANCE BROKERS INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
YEAR 2024

	Years Ended December 31	
	2024	2023
TOTAL AUDIT FEES	₱1,397,000	₱1,485,000
Non-audit Service Fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	₱1,397,000	₱1,485,000



Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
AFDR Insurance Brokers Inc.
15th Floor, Chatham House
116 Valero corner V.A. Rufino Streets
Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AFDR Insurance Brokers Inc. (the Company) as at and for the year ended December 31, 2024, and have issued our report thereon dated October 6, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Insurance Commission Circular Letter Nos. 2021-65 and 2021-69 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bernadette L. Ramos
Bernadette L. Ramos
Partner

CPA Certificate No. 0091096
Tax Identification No. 178-486-666
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027
PTR No. 10465367, January 2, 2025, Makati City

October 6, 2025



AFDR INSURANCE BROKERS INC.
(formerly Gotuaco Del Rosario Brokers, Inc.)
15th Floor, Chatham House, 116 Valero corner V.A. Rufino Streets
Salcedo Village, Makati City

Disclosures Required Under Insurance Commission Circular Letter No. 2021-65

1. Client's Money

As of December 31, 2024, the Company's client's money amounted to ₱50,755,382. The Company's client's money is included in the 'Cash in bank' account presented under 'Cash and cash equivalents' in audited financial statements.

2. Net Worth Compliance

The Company is required to comply with the minimum net worth requirement for an insurance broker amounting to ₱10,000,000 per Insurance Commission Circular Letter No. 2018-52.

As of December 31, 2024, the Company's net worth is compliant with the minimum net worth requirement set forth by the Insurance Commission.

3. Fiduciary Ratio

The Company is required to comply with the fiduciary ratio requirement per Insurance Commission Circular Letter No. 2021-65. The fiduciary ratio is a measure to assess the Company's conduct of handling premiums from the policyholder, given that a broker is expected to be acting on a fiduciary capacity.

The fiduciary ratio is computed by dividing the total fiduciary assets (either cash or receivables being held by an insurance broker, over the total fiduciary liabilities). The fiduciary ratio to be maintained shall be 1:1. Amounts used are gross of the commissions, allowances for impairment, taxes, fees and other charges. The fiduciary assets and liabilities used are in accordance with Insurance Commission Circular Letter No. 2021-69 or the Revised Standard Chart of Accounts for Insurance and/or Reinsurance Brokers.

Fiduciary Transaction Model

The Company uses both credit and direct remittance agreements. A credit agreement is a type of transaction wherein an insurance and/or reinsurance broker (1) collects premiums receivable from clients/insurers and remits to insurance/reinsurance companies, (2) remits claim payments to claimants/cedants on behalf of the insurance/reinsurance company or (3) other credit agreement. Direct remittance agreement is a type of transaction wherein a client/insurer/cedants remits the premium payments directly to the insurance/reinsurance company.

Fiduciary Ratio Computation

As of December 31, 2024, the Company's fiduciary ratio is computed as follows:

	2024
Fiduciary Assets	
Client's money (booked under 'Cash and cash equivalents')	₱50,755,382
Premiums receivable/Receivable from insurance companies' clients	45,393,001
	96,148,383
Fiduciary Liabilities	
Payable to insurance companies (booked under 'Due to insurance companies')	85,443,921
Payable to the insured – claims payable (booked as other liabilities under 'Accounts payable, accrued and other liabilities')	167,293
Payable to the insured – refunds due to insured (booked as other liabilities under 'Accounts payable, accrued and other liabilities')	10,537,169
	₱96,148,383
Fiduciary Ratio	1.00

Based on the computation, the Company is compliant with the requirement per Insurance Commission Circular Letter No. 2021-65.

The Company commits to maintain and monitor records of the balances of due from/to policyholders/insured and reconcile these balances (on a client-by-client basis) regularly to ensure that client monies are properly kept in respective clients' accounts.

4. Offsetting Arrangements

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.