

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

**FINANCIAL STATEMENTS
December 31, 2023 and 2022**

With Independent Auditors' Report



R.G. Manabat & Co.
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REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Philpacific Insurance Brokers & Managers, Inc. Doing Business under the Name and Style of Philinsure (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of profit or loss and other comprehensive (loss) income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

R.G. MANABAT & CO.

Tireso Randy F. Lapidez

TIRESO RANDY M. LAPIDEZ

Partner

CPA License No. 0092183

IC Accreditation No. 92183-IC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2023

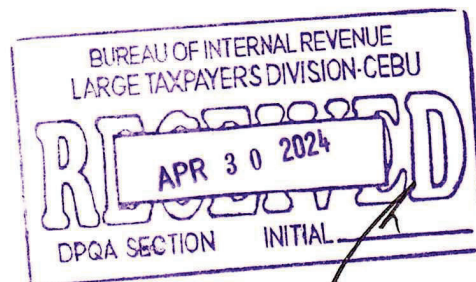
Issued May 25, 2023; valid until May 25, 2026

PTR No. MKT 10075184

Issued January 2, 2024 at Makati City

April 21, 2024

Makati City, Metro Manila





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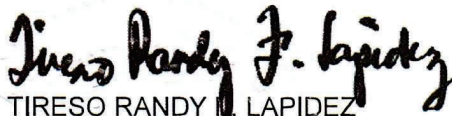
SUPPLEMENTAL WRITTEN STATEMENT OF AUDITORS

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

We have audited the accompanying financial statements of Philpacific Insurance Brokers & Managers, Inc. Doing Business under the Name and Style of Philinsure (the Company) as at and for the year ended December 31, 2023, on which we have rendered our report dated April 21, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has twelve (12) stockholders owning more than one hundred (100) shares each.

R.G. MANABAT & CO.



TIRESO RANDY J. LAPIDEZ

Partner

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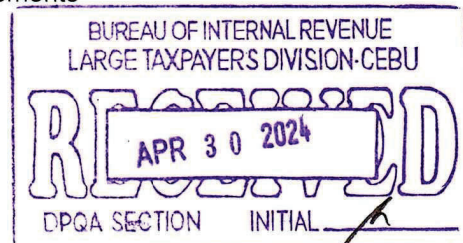
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financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

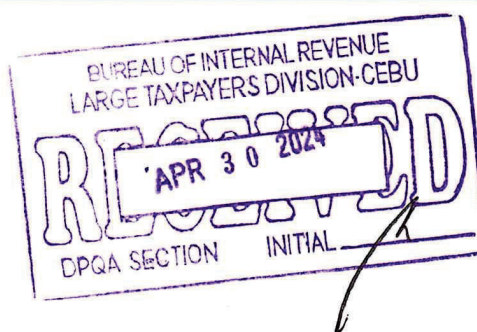
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

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

	Note	2023	2022
December 31			
ASSETS			
Current Assets			
Cash and cash equivalents	4, 18	P128,582,805	P219,085,717
Receivables	5, 18	174,156,494	61,764,958
Financial assets at fair value through profit or loss	6, 18	2,727,554	2,709,811
Prepaid expenses and other current assets	7	35,165,318	35,808,736
Total Current Assets		340,632,171	319,369,222
Noncurrent Assets			
Property and equipment - net	8	25,262,945	24,371,926
Right-of-use assets - net	17	18,639,647	28,591,866
Deferred tax assets - net	13	7,603,122	5,817,055
Other noncurrent assets	9, 18	8,602,537	10,812,771
Total Noncurrent Assets		60,108,251	69,593,618
		P400,740,422	P388,962,840
LIABILITIES AND EQUITY			
Current Liabilities			
Due to insurance companies	5, 18	P80,081,166	P72,523,090
Trade and other payables	10, 18	64,908,213	36,851,417
Current portion of lease liabilities	17, 18	7,324,450	8,966,245
Total Current Liabilities		152,313,829	118,340,752
Noncurrent Liabilities			
Lease liabilities - net of current	17, 18	13,454,860	21,069,298
Retirement benefits liability	15	29,500,833	23,034,810
Total Noncurrent Liabilities		42,955,693	44,104,108
Total Liabilities		195,269,522	162,444,860
Equity			
Capital stock	14	27,000,000	27,000,000
Retained earnings	14	187,563,997	199,700,990
Retirement benefits reserve	14	(9,093,097)	(183,010)
Net Equity		205,470,900	226,517,980
		P400,740,422	P388,962,840

See Notes to the Financial Statements.



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

		Years Ended December 31	
	Note	2023	2022
SERVICE REVENUE		P616,924,758	P542,622,945
COST OF SERVICES	11	180,194,843	162,234,126
GROSS INCOME		436,729,915	380,388,819
OPERATING EXPENSES	12	187,554,342	164,088,804
OPERATING INCOME		249,175,573	216,300,015
OTHER INCOME			
Foreign currency exchange gain		1,109,920	8,672,870
Interest income	4	3,547,320	299,408
Unrealized gain (loss) on financial assets at fair value through profit or loss	6	17,743	(273,024)
Interest expense	17	(1,413,911)	(1,480,202)
		3,261,072	7,219,052
INCOME BEFORE INCOME TAX EXPENSE		252,436,645	223,519,067
PROVISION FOR INCOME TAX EXPENSE			
Current		63,680,212	56,754,684
Deferred		1,183,962	508,247
Final		709,464	59,882
	13	65,573,638	57,322,813
NET INCOME		186,863,007	166,196,254
OTHER COMPREHENSIVE (LOSS) INCOME			
Items that will never be reclassified to profit or loss			
Actuarial (loss) gain on defined benefits plan	15	(11,880,116)	21,520,350
Tax effect	13	2,970,029	(5,380,088)
		(8,910,087)	16,140,262
TOTAL COMPREHENSIVE INCOME		P177,952,920	P182,336,516

See Notes to the Financial Statements.

