



SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.: 0000050553

Company Name: ALSONS INSURANCE BROKERS CORP.

Industry Classification: J67010

Company Type: Stock Corporation

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Document Type: Financial Statement

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Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

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Submission Date/Time: **Apr 29, 2025 05:52 PM**

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- 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.

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ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

Makati : G/F Alsons Bldg., 2286 Pasong Tamo Extn. Makati City
Davao : Suite A302 Plaza de Luisa Complex, R.Magsaysay Ave., Davao City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard,
Pasay City

The management of Alsons Insurance and Reinsurance Brokers Corporation is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, 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 cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders of the company.

Sycip, Gorres, Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



NICASIO I. ALCANTARA
Chairman



MARCO ANGELO C. ALCANTARA
President and CEO



EDITHA I. ALCANTARA
EVP - Treasurer

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	L	S	O	N	S		I	N	S	U	R	A	N	C	E		A	N	D		R	E	I	N	S	U	R	A	N
C	E		B	R	O	K	E	R	S		C	O	R	P	O	R	A	T	I	O	N								

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

A	L	S	O	N	S		B	L	D	G	.	,		2	2	8	6		C	H	I	N	O		R	O	C	E	S
	A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y		1	2	3	3	1		M	E	T
R	O		M	A	N	I	L	A	,		P	H	I	L	I	P	P	I	N	E	S								

Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If
Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

legal@alcantaragroup.com

Company's Telephone Number

(02) 8982-3000

Mobile Number

0917 858 1642

No. of Stockholders

16

Annual Meeting (Month / Day)

Any Day of April

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Cornelia P. Saldivar

Email Address

csaldivar@alcantaragroup.com

Telephone Number/s

8823000

Mobile Number

0917 570 8118

CONTACT PERSON'S ADDRESS

Alsons Bldg., 2286 Chino Roces Avenue, Makati City, 1231 Metro Manila, Philippines

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 Board of Directors and Stockholders
Alsons Insurance and Reinsurance Brokers Corporation
G/F, Alsons Building
2286 Chino Roces Extension, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alsons Insurance and Reinsurance Brokers Corporation (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 (PFRSs) 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 PFRSs 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 15-2010

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 15-2010 in Note 20 to the 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 information is the responsibility of the management of Alsons Insurance and Reinsurance Brokers Corporation. 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.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

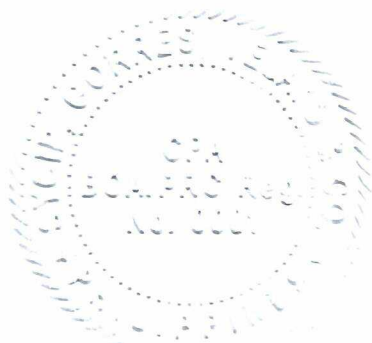
Tax Identification No. 225-158-629

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

BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465259, January 2, 2025, Makati City

April 24, 2025



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱53,533,905	₱36,434,518
Trade and other receivables (Notes 6 and 11)	1,837,149	2,212,005
Prepayments	1,279,528	57,532
Total Current Assets	56,650,582	38,704,055
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Notes 7 and 11)	22,688,760	26,634,632
Property and equipment (Note 8)	657,513	908,899
Computer software (Note 9)	—	29,226
Deferred tax assets - net (Note 17)	767,898	561,545
Refundable deposit	260,903	260,903
Total Noncurrent Assets	24,375,074	28,395,205
TOTAL ASSETS	₱81,025,656	₱67,099,260
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 10 and 11)	₱46,963,982	₱36,023,805
Income tax payable	—	1,091,200
Total Current Liabilities	46,963,982	37,115,005
Noncurrent Liabilities		
Net pension liability (Note 16)	3,110,539	1,334,068
Other noncurrent liabilities	—	877,689
Total Noncurrent Liabilities	3,110,539	2,211,757
Total Liabilities	50,074,521	39,326,762
Equity		
Capital stock (Note 12)	47,827,300	47,827,300
Treasury stock (Note 12)	(4,200)	(4,200)
Accumulated remeasurement gain on defined benefit obligation (Note 16)	1,332,498	2,294,166
Reserve on fluctuation on financial assets at fair value through other comprehensive income (Note 7)	(44,742,709)	(40,796,837)
Retained earnings (Note 12)	26,538,246	18,452,069
Total Equity	30,951,135	27,772,498
TOTAL LIABILITIES AND EQUITY	₱81,025,656	₱67,099,260

See accompanying Notes to Financial Statements.



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Commission income (Note 13)	₱58,285,430	₱59,522,579
COSTS AND EXPENSES		
Direct costs (Note 14)	20,118,526	19,412,587
General and administrative expenses (Note 15)	14,382,827	13,166,656
	34,501,353	32,579,243
OTHER INCOME/(EXPENSE)		
Foreign exchange gain (loss) - net	1,688,757	(1,301,059)
Dividend income	986,468	986,468
Interest income (Note 5)	547,158	392,401
	3,222,383	77,810
	27,006,460	27,021,146
INCOME BEFORE INCOME TAX		
	6,450,283	6,286,577
PROVISION FOR INCOME TAX (Note 17)		
	20,556,177	20,734,569
NET INCOME		
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that will not be recycled to profit or loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income (Note 7)	(3,945,872)	(11,837,614)
Remeasurement loss on defined benefit obligation (Note 16)	(1,282,224)	(117,884)
Tax effect	320,556	29,472
	(4,907,540)	(11,926,026)
	₱15,648,637	₱8,808,543
TOTAL COMPREHENSIVE INCOME		

See accompanying Notes to Financial Statements.



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Capital Stock (Note 12)	Treasury Stock (Note 12)	Accumulated Remeasurement Gain on Defined Benefit Obligation (Note 16)	Reserve on Fluctuation on Financial Assets at Fair Value Through Other Comprehensive Income (Note 7)	Retained Earnings (Note 12)	Total
As at January 1, 2024	₱47,827,300	(₱4,200)	₱2,294,166	(₱40,796,837)	₱18,452,069	₱27,772,498
Net income	—	—	—	—	20,556,177	20,556,177
Other comprehensive income (loss)	—	—	(961,668)	(3,945,872)	—	(4,907,540)
Total comprehensive income (loss)	—	—	(961,668)	(3,945,872)	20,556,177	15,648,637
Dividends declared (Note 12)	—	—	—	—	(12,470,000)	(12,470,000)
As at December 31, 2024	₱47,827,300	(₱4,200)	₱1,322,498	(₱44,742,709)	₱26,538,246	₱30,951,135
As at January 1, 2023	₱47,827,300	(₱4,200)	₱2,382,578	(₱28,959,223)	₱13,387,500	₱34,633,955
Net income	—	—	—	—	20,734,569	20,734,569
Other comprehensive income (loss)	—	—	(88,412)	(11,837,614)	—	(11,926,026)
Total comprehensive income (loss)	—	—	(88,412)	(11,837,614)	20,734,569	8,808,543
Dividends declared (Note 12)	—	—	—	—	(15,670,000)	(15,670,000)
As at December 31, 2023	₱47,827,300	(₱4,200)	₱2,294,166	(₱40,796,837)	₱18,452,069	₱27,772,498

See accompanying Notes to Financial Statements.



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱27,006,460	₱27,021,146
Adjustments for:		
Dividend income	(986,468)	(986,468)
Unrealized foreign exchange loss (gain) - net	(849,225)	399,449
Interest income (Note 5)	(547,158)	(392,401)
Net movement in pension liability (Note 16)	494,246	411,657
Depreciation and amortization (Notes 8 and Note 9)	479,298	579,190
Operating income before working capital changes	25,597,153	27,032,573
Decrease (increase) in:		
Trade and other receivables (Note 6)	374,856	(681,704)
Prepayments	(1,221,996)	360,055
Increase (decrease) in trade and other payables	10,062,488	(15,127,862)
Net cash from operations	34,812,501	11,583,062
Income taxes paid, including final taxes on interest income	(7,427,279)	(5,979,730)
Dividends received	986,468	986,468
Interest received (Note 5)	547,158	392,401
Net cash provided by operating activities	28,918,848	6,982,201
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 8)	(198,700)	(267,434)
Proceeds from sale of property and equipment (Note 8)	14	—
Net cash used in investing activities	(198,686)	(267,434)
CASH FLOWS FROM FINANCING ACTIVITY		
Payment of dividends (Note 12)	(12,470,000)	(15,670,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	849,225	(399,449)
NET INCREASE (DECREASE) IN CASH	17,099,387	(9,354,682)
CASH AT BEGINNING OF YEAR (Note 5)	36,434,518	45,789,200
CASH AT END OF YEAR (Note 5)	₱53,533,905	₱36,434,518

See accompanying Notes to Financial Statements.



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for the Issuance of the Financial Statements

Corporation Information

Alsons Insurance and Reinsurance Brokers Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 14, 1972 to engage in the business of insurance and reinsurance brokerage of life and non-life insurance. The Company is a holder of a brokerage license from the Philippine Insurance Commission (IC).

On April 15, 2021, the Board of Directors (BOD) approved to change the Company's corporate name from "Alsons Insurance Brokers Corporation" to "Alsons Insurance and Reinsurance Brokers Corporation". On November 24, 2021, the Philippine SEC approved the amended articles of incorporation and by-laws.

On August 10, 2023, the Board of Directors (BOD) approved to change the Company's corporate primary purpose to "To act as insurance and reinsurance brokers of life and non-life insurance companies, and as brokers of prepaid group practice health care delivery system or health maintenance organization (HMO) companies and such, engage in the solicitation, negotiation, or procurement of any insurance contract, place risk or take out insurance, or HMO contract or health care agreement; and, generally, engage in the business of insurance, reinsurance and guaranty in any and all branches to the extent permitted by law, for a consideration or any compensation, commission or other thing of value." On February 15, 2024, the Philippine SEC approved the amended articles of incorporation and by-laws.

The registered office address of the Company is Alsons Building, 2286 Chino Roces Avenue, Makati City.

Authorization for the Issuance of the Financial Statements

The accompanying financial statements were authorized for issue by the Company's BOD on April 24, 2025.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis and are presented in Philippine Peso (₱), the Company's functional and presentation currency except for financial assets at fair value through other comprehensive income (FVOCI) that has been measured at fair value. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

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

The Company qualifies as a small entity in accordance with PFRS for Small Entities (PFRS for SEs) Accounting Standards on December 13, 2017 and by the Philippine Securities and Exchange Commission (SEC) on March 22, 2018. PFRS for SEs Accounting Standards is required to be used by entities that meet the definition of an SE, which include among others, an entity with total assets of between ₱3.00 million and ₱100.00 million and/or total liabilities between ₱3.00 million and ₱100.00 million. However, the Company availed of the exemption from adopting PFRS for SEs Accounting Standards as allowed by the Revised SRC Rule 68 on the basis that it is a holder of a secondary



license issued by the Philippine Insurance Commission that is required to present financial statements in accordance with full PFRS. As such, the Company prepared its financial statements under full PFRS.

3. Material Accounting Policy Information

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- 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.

Standard 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 will 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*

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*

Fair Value Measurement

Fair value is the estimated 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 by 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.

Financial assets

The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations (price between the bid and ask spread), without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Nonfinancial assets

A fair value measurement of a nonfinancial 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.

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 re-assessing 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.



Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

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

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

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.

Financial Instruments

Financial assets

Initial recognition and measurement

At initial recognition, financial assets are classified as and measured at amortized cost, FVOCI, and fair value through profit or loss (FVTPL). The classification at initial recognition depends on the contractual cash flow characteristics of the financial assets and the Company's business model for managing them. The initial measurement of financial assets, except for those classified as FVTPL, includes the transaction cost. The exception is for trade receivables that do not contain a significant financing component. These are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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 solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent to initial recognition, the Company classifies its financial assets in the following categories:

- Amortized cost
- FVTPL
- FVOCI
 - with recycling of cumulative gains and losses (debt instruments)
 - with no recycling of cumulative gains and losses upon derecognition (instruments)



Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost when:

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

Financial assets at amortized cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets include cash in bank, cash equivalents and trade and other receivables.

Financial assets at FVOCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have any debt financial assets at FVOCI.

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category (included under "Financial assets at fair value through other comprehensive income" account).

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.



The Company does not have financial assets at FVTPL as of December 31, 2024 and 2023.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when, and only when:

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

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 effective interest rate. 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 trade receivables and contract assets, 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability (or part of a financial liability) is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Property and Equipment

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

The initial cost of property and equipment comprises its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as maintenance and repairs, are normally charged to income in the period 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 and amortization are calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Transportation equipment	5-6
Office furniture, fixtures and equipment	2-5

Leasehold improvements are amortized over five (5) years or the term of the lease, whichever is shorter.

The assets' residual value, useful lives, estimated 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 items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited to or charged against current operations.



When property and equipment are sold or retired, their cost, accumulated depreciation and amortization, and any impairment in value are eliminated from the accounts and any gain or loss resulting from their disposal is included in profit or loss.

Computer Software

Computer software pertains to software licensing costs acquired separately and are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring them to use.

Computer software is amortized using the straight-line method over five years, the estimated finite useful life of the software. The amortization of computer software is included under “Depreciation and amortization” account.

Impairment of Nonfinancial Assets

This accounting policy applies primarily to the Company’s property and equipment and other assets.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is calculated as the higher of an asset’s or cash-generating unit’s fair value less cost to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the assets in prior years.

Equity

Capital stock

Capital stock is measured at par value for all shares issued and outstanding.

Treasury stock

Treasury stock is recorded at cost and is presented as a deduction from equity. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Retained earnings

Retained earnings represent accumulated earnings or losses of the Company, effects of any change in accounting policy and other adjustments affecting the account such as dividends declared. The Company’s BOD declares dividends from the unappropriated portion of its retained earnings.



Other Comprehensive Income

Other comprehensive income comprises of items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS. Other comprehensive income of the Company pertains to remeasurements comprising actuarial gain or loss on defined benefit obligation and changes in fair value of financial assets at fair value through other comprehensive income.

Short-term Leases

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (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). Lease payments on short-term leases is recognized as expense on a straight-line basis over the lease term.

Retirement Cost

The Company has a funded, noncontributory retirement plan, administered by a trustee, covering its regular employees. Retirement cost is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement cost comprises of the following:

- a. Service cost
- b. Net interest on the net defined benefit liability or asset
- c. Remeasurement of net defined benefit liability or asset

Service costs which include current service cost, past service cost and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service cost is recognized when plan amendment or curtailment occurs. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes related restructuring costs.

These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the then net defined benefit liability. Net interest on the net defined benefit liability is recognized as part of net benefits cost in profit or loss.

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

Past service cost, if any, is recognized immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining service for a specified period of time (the vesting period). In this case, the past service cost is amortized on a straight-line basis over the vesting period.

Plan assets are assets that are held by a bank-administered employee benefit fund. 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). If the fair value of the plan assets is higher than the present value of the defined benefit



obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net pension asset or liability recognized by the Company in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets, together with adjustments for past service costs that shall be recognized in later periods. The present value of the defined benefit obligation is determined by discounting the estimated future cash inflows using long term government bond risk-free interest rates that have terms to maturity approximating the terms of the related pension liability.

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.

Commission income

Commission income is generally recognized at a point in time upon collection of premiums from the policyholders based on the underlying insurance policy. Premium due from insured are collectible by the Company for the account of the insurer and are remittable to them within the credit term. Premiums payable to insurance companies pertain to premiums collected from policyholders but not yet remitted to insurance companies.

The Company has determined that the placement of an insurance policy, collection of premiums from policy holders and remittance of these collections to insurance companies are considered as a single distinct performance obligation as these represent a combined output provided by the Company to insurance companies and the Company would not be able to satisfy its performance obligation by transferring each of the services independently.

Other Revenues (outside the scope of PFRS 15)

Dividend income

Dividend income is recognized when the right to receive the payment is established.

Interest income

Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Direct Costs

Direct costs are charged against operations in profit or loss when incurred.

General and Administrative Expenses

General and administrative expenses constitute costs of administering the business. These are recognized as expenses when incurred.

Foreign Currency Transactions

The Company determines its functional currency and items included in the financial statements are measured using that functional currency. Transactions denominated in foreign currencies are initially recorded in Philippine Peso at exchange rate prevailing at the reporting date. Foreign currency-denominated monetary assets and liabilities denominated in foreign currencies are retranslated at the



exchange rate prevailing at the reporting dates. Foreign exchange differentials between transaction rate and rate at settlement date or reporting date of foreign-currency denominated monetary assets and liabilities are credited to or charged against operations for the year. For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the period such are realized.

Taxes

Current income tax

Current income 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 are enacted or substantively enacted at the reporting date.

Current income tax for current and prior periods, shall, to the extent unpaid, be recognized as a liability in the statement of financial position. If the amount already paid in respect of current and prior period exceeds the amount due for those periods, the excess paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset in the statement of financial position.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred income tax assets are recognized for deductible temporary differences, net operating loss carry-over (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent that it is probable that taxable income will be available against which the deductible temporary differences, NOLCO and excess MCIT over RCIT can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the year 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 of reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.



When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

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 a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, 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 an interest expense. 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. These are 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 benefits is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in profit or loss.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

4. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS Accounting Standards requires the Company to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements, as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment

Upon adoption of PFRS 15, the Company applied the judgments below that significantly affects the determination of the amount and timing of revenue from contracts with customers:

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.

Estimates

Estimation of retirement benefits obligation

The determination of the Company's defined benefit obligation and retirement cost is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 16 to the financial statements and include, among others, the discount rate and rate of compensation increase. In accordance with PAS 19, actual results that differ from Company's assumptions are recognized immediately in profit or loss. While management believes that the assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in the assumptions may materially affect the defined benefit obligation and retirement cost. All assumptions are reviewed at each reporting date.

As of December 31, 2024 and 2023, net pension liability amounted to ₱3.11 million and ₱1.33 million, respectively (see Note 16).

Recognition of deferred income tax assets

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized. Significant management judgment is required to determine the amount of the deferred income tax assets that can be recognized. The Company's assessment on the recognition of deferred income tax assets is based on the forecasted taxable income of the next reporting period. This forecast is based on the Company's past results and future expectations of revenue and expenses.

As of December 31, 2024 and 2023, gross deferred income tax assets recognized amounted to ₱1.32 million and ₱1.23 million, respectively (see Note 17).

Estimation of provisions

The estimate of probable costs for the resolution of possible claims is developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. Management believes that the eventual amount at which these liabilities will be settled will not have a material impact on the Company's financial statement.



5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	₱38,831	₱38,831
Cash in banks	44,083,129	27,813,337
Cash equivalents	9,411,945	8,582,350
	₱53,533,905	₱36,434,518

Cash in banks earn annual interest rates ranging from 0.05% to 6.25% in 2024 and 2023, while cash equivalents earn annual interest rates ranging from 3.875% to 5.15% and 4% to 4% in 2024 and 2023, respectively.

Interest income from cash and cash equivalents amounted to ₱0.54 and ₱0.39 million in 2024 and 2023, respectively.

6. Trade and Other Receivables

This account consists of:

	2024	2023
Commissions receivable	₱968,258	₱967,152
Due from related parties (Note 11)	514,909	466,582
Advances to officers and employees	236,695	359,946
Premiums refund collectible	93,587	394,625
Other receivables	23,700	23,700
	₱1,837,149	₱2,212,005

Commissions receivables refer to brokerage fees of premiums due from the Company's affiliates and brokerage fees due from insurers for the amounts of premiums directly collected by the insurer from policyholders. These receivables are non-interest-bearing and are generally on a 1 to 90 days terms.

Due from related parties pertain to retainer and professional fees due from Alcantara Group and Sarangani Energy Corporation, respectively.

Advances to officers and employees pertain to the amounts borrowed by the Company's personnel. These advances are normally settled through salary deduction.

Premiums refund collectible refer to fully paid and remitted premiums that have succeeding negative endorsements or modifications.

Other receivables include due from insurance companies related to ancillary income and incentives receivable from insurance companies and reimbursements of expenses and others.



7. Financial Assets at Fair Value through Other Comprehensive Income

As of December 31, 2024, and 2023, this account consists of equity instruments at FVOCI amounting to ₱22.69 million and ₱26.63 million, respectively.

The financial assets consist of quoted equity securities issued by Alsons Consolidated Resources Inc. (ACR), a related party. The cost of financial assets amounted to ₱67.43 million.

The movement in the revaluation reserve on fluctuation on financial assets at FVOCI in 2024 and 2023 follows:

	2024	2023
Balance at beginning of year	(₱40,796,837)	(₱28,959,223)
Change in fair value of financial assets	(3,945,872)	(11,837,614)
Balance at end of year	(₱44,472,709)	(₱40,796,837)

8. Property and Equipment

The composition of and the movements in this account follow:

	2024			
	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost				
At January 1	₱462,805	₱3,409,306	₱3,463,899	₱7,336,010
Additions	—	—	198,700	198,700
Retirement	(24)	—	(1,270,000)	(1,270,024)
At December 31	462,781	3,409,306	2,392,599	6,264,686
Accumulated Depreciation and Amortization				
At January 1	462,791	2,844,245	3,120,075	6,427,111
Depreciation and amortization (Notes 14 and 15)	—	246,608	203,464	450,072
Retirement	(10)	—	(1,270,000)	(1,270,010)
At December 31	462,781	3,090,853	2,053,539	5,607,173
Net Book Value	₱—	₱318,453	₱339,060	₱657,513

	2023			
	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost				
At January 1	₱462,805	₱3,409,306	₱3,196,465	₱7,068,576
Additions	—	—	267,434	267,434
At December 31	462,805	3,409,306	3,463,899	7,336,010
Accumulated Depreciation and Amortization				
At January 1	462,791	2,530,674	2,942,134	5,935,599
Depreciation and amortization (Notes 14 and 15)	—	313,571	177,941	491,512
At December 31	462,791	2,844,245	3,120,075	6,427,111
Net Book Value	₱14	₱565,061	₱343,824	₱908,899



Depreciation is charged to the following:

	2024	2023
Direct costs (Note 14)	₱315,050	₱344,058
General and administrative expenses (Note 15)	135,022	147,454
	₱450,072	₱491,512

9. Computer Software

The composition of and the movements in this account follow:

	2024	2023
Cost - At January 1 and December 31	₱438,393	₱438,393
Accumulated amortization		
At January 1	409,167	321,489
Amortization (Notes 14 and 15)	29,226	87,678
At December 31	438,393	409,167
Net book value	₱—	₱29,226

Amortization is charged to the following:

	2024	2023
Direct costs (Note 14)	₱20,458	₱61,375
General and administrative expenses (Note 15)	8,768	26,303
	₱29,226	₱87,678

10. Trade and Other Payables

This account consists of:

	2024	2023
Accounts payable	₱28,780,065	₱15,752,648
Payable to broker companies	10,520,898	5,303,788
Accrued expenses (Note 11)	3,958,660	7,923,088
Advances from insurance companies	927,712	269,116
Advances from affiliates (Note 11)	859,759	889,074
Taxes payable	753,009	2,111,543
Premium deposit	249,814	769,053
Premium refundable to assured	123,749	804,223
Other payables	790,316	2,201,272
	₱46,963,982	₱36,023,805

Accounts payable consist of payments received from insurer for payout to assured companies and amounts payable to insurance companies.

Payable to broker companies refers to the share in commission income due to a co-brokerage agreement.



Accrued expenses, which primarily consist of management fees, utility charges and professional fees, are payable within 90 days.

Advances from insurance companies consist of commission payments received but were not yet properly applied due to incomplete reference.

Advances from affiliates pertain to the amount owed by the Company to its affiliates for reimbursement of expenses and for current operational needs. These advances are normally payable within 90 days.

Taxes payable pertain to taxes withheld for transactions subject to withholding tax and VAT payable. Withholding taxes are remitted to the Philippine Bureau of Internal Revenue (BIR) on or before the 10th of the following month. Output VAT is remitted to the BIR on or before the 25th day following the close of the taxable quarter.

Premium deposit refers to advances made by the assured for premium payments due and collections from assured which were received but were not yet applied due to incomplete reference.

Premium refundable to assured pertains to the amount which is payable to the assured due to overpayment resulting from modification of contract.

Other payables pertain to various miscellaneous liabilities.

11. Related Party Transactions

Parties are 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; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Below are the Company's significant transactions with its related parties under common control of ACR:

Category	Year	Amount/ Volume	Outstanding Receivable (Payable)	Terms	Conditions
Professional Fee (Note 6)					
Alcantara Group (a)	2024	₱364,909	₱364,909	Non-interest bearing, due and demandable	Unsecured and will be settled in cash
	2023	316,582	316,582		
Sarangani Energy Corporation (b)	2024	150,000	150,000	Non-interest bearing, due and demandable	Unsecured and will be settled in cash
	2023	150,000	150,000		
Management expense (Notes 10, 14 & 15)					
Conal Corporation (c)	2024	₱2,163,934	(₱859,759)	Non-interest bearing, due and demandable	Unsecured and will be settled in cash
	2023	2,376,903	(889,074)		
Advances from affiliates (Note 10)					
Alsons Security Co., Inc. (d)	2024	1,461,688	—	Non-interest bearing, due and demandable	Unsecured and will be settled in cash
	2023	1,364,598	—		
Alsons Land Corp. (e)	2024	1,972,162	—	-do-	-do-
	2023	1,857,396	—	-do-	-do-



- a. Retainer and professional fees pertain to the amount payable to Alsons Insurance and Reinsurance Brokers Company. Outstanding retainer and professional fees are presented under “Due from related parties” included as part of “Trade and other receivables” in the statement of financial position. (see Note 6).
- b. Management fees pertain to the amount payable to Conal Corporation for the Company’s share in administrative expenses (see Notes 14 and 15). Outstanding management fees payable are presented under “Accrued expenses” included as part of “Trade and other payables” in the statement of financial position (see Note 10).
- c. Security services of the Company is provided by Alsons Security Co. Inc. with a fixed monthly rate and corresponding security’s overtime, if any. Contract rate is based on the prescribed wage order as approved by the Department of Labor and Employment. Security services are included as part of “Outside services” under “General and administrative expenses” in the statement of comprehensive income (see Note 15).
- d. The Company leases office and parking spaces owned by Alsons Land Corp. renewable every year upon mutual agreement by both parties. Rental expenses charged to costs and expenses amounted to ₱1.97 million in 2024 and ₱1.86 million in 2023 (see Note 18).
- e. In December 2017, the Company purchased quoted equity securities issued by ACR amounting to ₱67.43 million. These equity securities are classified as financial assets at FVOCI in the statement of financial position and are carried at fair value (see Note 7).

The compensation of members of key management personnel are as follows.

	2024	2023
Salaries, wages and other employee benefits	₱2,529,267	₱2,299,334
Post-employment benefits	109,047	99,134
	₱2,638,314	₱2,398,468

There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized impairment losses on amounts due from related parties for the years ended December 31, 2024 and 2023. This assessment is undertaken each reporting year through a review of the financial position of the related party and the market in which the related party operates.

12. Equity

Capital Stock

The Company’s authorized capital stock, with par value of ₱100 per share, consists of 500,000 shares, of which 478,261 shares has been issued and outstanding. As of December 31, 2024 and 2023, capital stock amounted to ₱47.83 million.

Retained Earnings

- a. During the special meeting of the BOD held on December 12, 2024, cash dividends were declared amounting to ₱12.47 million equivalent to ₱26.07 per share payable to stockholders of record as of that date. The Company paid out the said dividends last December 23, 2024.



- b. During the special meeting of the BOD held on December 22, 2023, cash dividends were declared amounting to ₱15.67 million equivalent to ₱32.76 per share payable to stockholders of record as of that date. The Company paid out the said dividends before December 31, 2023.

The retained earnings are restricted to the extent of treasury shares amounting ₱4,200.

Capital Management

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new common shares and may declare stock dividends. To ensure the adequacy of the Company's capital, management prepares annual cash flow forecast projecting the Company's future cash requirement, which is used to assess if additional capital may be required. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023. The Company's sources of capital are follows:

	2024	2023
Capital stock	₱47,827,300	₱47,827,300
Retained earnings	26,538,246	18,452,069
Treasury stock	(4,200)	(4,200)
	₱74,361,346	₱66,275,169

The Company applied for the license to engage in the brokerage of Health Maintenance Organization (HMO) last December 29, 2022. As part of their application for HMO license, the Company is required to comply with Circular Letter (CL) 2023-02 issued by the IC. The circular pertains to the amended guidelines regarding the licensing requirements of the brokers engaged in HMO activities. Based on paragraph 3.5 of the CL, if an existing insurance and reinsurance broker intends to apply for an HMO broker license, it must maintain a net worth of at least ₱35.00 million.

On December 26, 2024, the Company received findings from the IC indicating its failure to meet the net worth requirement specified in the CL 2023-02 during the 2023 Audited Financial Statement (AFS) verification. The Company's net worth amounted to ₱27.7 million as at December 31, 2023, resulting in a deficiency of ₱7.23 million. In response to the capital deficit, the Company's stockholders infused capital amounting to ₱6.25 million on February 6, 2025, and ₱1.25 million on February 10, 2025 accounted for a deposit for stock subscription following its application to increase the authorized capital stock.

Date of Capital Infusion	Stockholder	Amount
February 6, 2025	Roscal Corporation	₱1,250,000
February 6, 2025	Trusto Corporation	1,250,000
February 6, 2025	Niacor Corporation	1,250,000
February 6, 2025	Alecal Corporation	1,250,000
February 6, 2025	Edicon Corporation	1,250,000
February 10, 2025	Fial Corporation	1,250,000
		₱7,500,000

On February 20, 2025, the IC confirmed that the Company has successfully met the minimum net worth and fiduciary ratio requirements, and the verification of the 2023 AFS has been completed.



13. Revenue from Contracts with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2024		
Geographical market	Makati	Davao	Total
Commission income	₱53,110,431	₱5,174,999	₱58,285,430

	2023		
Geographical market	Makati	Davao	Total
Commission income	₱54,239,714	₱5,282,865	₱59,522,579

14. Direct Costs

This account consists of:

	2024	2023
Salaries, wages and other employee benefits	₱8,070,480	₱7,921,684
Travel and transportation	2,944,061	2,818,062
Management expense (Note 11)	1,514,754	1,663,832
Rent (Note 18)	1,478,827	1,398,491
Selling expense	1,375,990	1,250,900
Communication	975,819	909,571
Insurance	917,820	803,586
Training and development	685,099	597,128
Taxes and licenses (Note 20)	497,994	425,902
Depreciation and amortization (Notes 8 and 9)	335,508	405,433
Net benefits cost (Note 16)	345,972	288,160
Light and water	198,600	203,524
Stationery and office supplies	49,974	39,800
Miscellaneous	727,628	686,514
	₱20,118,526	₱19,412,587

15. General and Administrative Expenses

This account consists of:

	2024	2023
Outside services (Note 11)	₱5,636,825	₱4,618,312
Salaries, wages and other employee benefits	3,458,777	3,395,007
Travel and transportation	1,261,740	1,207,741
Management expense (Note 11)	649,180	713,071
Rent (Note 18)	633,783	599,353
Selling expense	589,710	536,100
Communication	418,208	389,816
Insurance	393,351	344,394

(Forward)



	2024	2023
Training and development	₱293,614	₱255,912
Taxes and licenses	213,426	182,529
Net benefits cost (Note 16)	148,274	123,497
Depreciation and amortization (Notes 8 and 9)	143,790	173,757
Entertainment, amusement and recreation	123,778	228,663
Light and water	85,114	87,225
Stationery and office supplies	21,417	17,057
Miscellaneous	311,840	294,222
	₱14,382,827	₱13,166,656

16. Retirement Plan

The Company has a defined benefit plan, covering substantially all of its employees which require contributions to be made to an administered fund. The plan is administered by a local bank as trustee.

The Company's annual contribution to the plan consists principally of payments which covers the current service cost for the year and the required funding relative to the guaranteed minimum benefits as applicable. The funds are administered by the trustee under the supervision of the Board of Trustees (BOT) of the plan which delegates the implementation of the investment policy to the trustee. These funds are subject to the investment objectives and guidelines established by the trustee and rules and regulations issued by Bangko Sentral ng Pilipinas covering assets under trust and fiduciary agreements. The trustee is responsible for the investment strategy of the plan. Republic Act (RA) No.7641, *The New Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. The law does not require minimum funding of the plan.

The tables below summarize the components of plan expense recognized in profit or loss and the funded status and amounts recognized in the statements of financial position for the plan.

	2024		
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Pension Liability
At January 1	₱4,801,182	(₱3,467,114)	₱1,334,068
Benefits Paid	(181,500)	181,500	
Net benefit costs in profit or loss (Notes 15 and 16)			
Current service cost	407,475	—	407,475
Net interest expense	292,392	(205,621)	86,771
	₱5,319,549	(₱3,491,235)	₱1,828,314
Actuarial loss in other comprehensive income			
Actuarial loss on plan assets	—	45,519	45,519
Actuarial loss arising from:			
Change in financial assumptions	460,398	—	460,398
Experience adjustments	776,308	—	776,308
	1,236,706	45,519	1,282,225
At December 31	₱6,556,255	(₱3,445,716)	₱3,110,539



	2023		
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Pension Liability
At January 1	₱4,129,065	(₱3,324,538)	₱804,527
Net benefit costs in profit or loss (Notes 15 and 16)			
Current service cost	353,650	–	353,650
Net interest expense	297,706	(239,699)	58,007
	₱4,780,421	(₱3,564,237)	₱1,216,184
Actuarial loss (gain) in other comprehensive income			
Actuarial loss on plan assets	–	₱97,123	₱97,123
Actuarial loss (gain) arising from:			
Change in financial assumptions	407,037	–	407,037
Experience adjustments	(386,276)	–	(386,276)
	20,761	97,123	117,884
At December 31	₱4,801,182	(₱3,467,114)	₱1,334,068

The details of accumulated remeasurement gain on defined benefit obligation follows:

	2024	2023
At January 1	₱3,058,888	₱3,176,771
Actuarial loss on defined benefit obligation	(1,282,224)	(117,883)
	1,776,664	3,058,888
Tax effect	(444,166)	(764,723)
At December 31	₱1,332,498	₱2,294,166

Allocation of net benefits cost follow:

	2023	2023
Direct costs (Note 14)	₱345,972	₱288,160
General and administrative expenses (Note 15)	148,274	123,497
	₱494,246	₱411,657

Actual gain on plan assets amounted to ₱0.16 million in 2024 and to ₱0.14 million in 2023. The Company expects to contribute ₱0.60 million to the plan in 2025.

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. The latest actuarial valuation report is as of December 31, 2024. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension for the defined benefit plans are shown below:

	2024	2023
Discount rate		
January 1	6.09%	7.12%
December 31	6.09%	6.09%
Salary increase rate	3.50%	2.50%
Average remaining working life	15.4 years	17.2 years

The discount rate assumption is based on the theoretical spot yield curve by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date and considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.



The salary increase rate assumption is based on the accrued benefit actuarial cost method applied on the employee salaries data.

The average duration of the defined benefit obligation at the end of the reporting period is 7.4 years and 8.1 years as of December 31, 2024 and 2023, respectively.

The net plan assets consist of the following:

	2024	2023
Cash	₱3,628	₱1,040
Investment in unit investment trust fund (UITF)	3,209,543	3,388,411
Others	232,545	77,663
	₱3,445,716	₱3,467,114

The fair values of the Company's plan assets approximate their carrying values due to the short-term nature of the cash and loans. The investment in UITF is carried at the net asset value per unit which approximates its fair value. The investments in UITF are classified under Level 2 in the fair value hierarchy.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Changes in variables	Increase (decrease) in defined benefit obligation	
		2024	2023
Discount rate	+1.00%	(458,224)	(365,946)
	-1.00%	513,596	412,722
Salary increase rate	+1.00%	522,036	423,717
	-1.00%	(473,492)	(381,492)

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

	2024	2023
Less than 1 year	₱1,005,547	₱777,791
More than 1 year to 5 years	2,110,421	317,679
More than 5 years to 10 years	6,401,549	6,553,413
	₱9,517,517	₱7,648,883

17. Income Tax

- a. Income tax includes RCIT and final taxes paid at the rate of 15% for USD short-term time deposits which is the final withholding tax on gross interest income from cash and cash equivalents. These income taxes as well as the deferred tax provisions are presented as provision for income tax in profit or loss follows:

	2024	2023
Current		
RCIT	₱6,254,004	₱6,992,452
Final	82,074	78,480
Deferred	114,205	(784,355)
	₱6,450,283	₱6,286,577



Net deferred tax assets (liabilities) as of December 31 relate to the tax effects of the following:

	2024	2023
Presented in profit or loss		
Deferred tax assets on:		
Net pension liability	₱1,221,801	₱1,098,239
Unamortized past service cost	102,707	128,167
Unrealized foreign exchange loss	—	99,862
	1,324,508	1,326,268
Deferred tax liability on unrealized foreign exchange gains	(112,444)	—
	1,212,064	1,326,268
Presented in other comprehensive income		
Deferred tax liability on actuarial gain on defined benefit plan	(444,166)	(764,723)
	₱767,898	₱561,545

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

	2024	2023
Income tax at statutory income tax rate	₱6,751,615	₱6,755,287
Tax effects of:		
Dividend income exempt from income tax	(246,617)	(246,617)
Income already subjected to final tax	(54,715)	(19,620)
Others	—	(202,473)
Effective income tax rate	₱6,450,283	₱6,286,577

18. Leases

The following are the Company's lease transactions:

- The Company entered into non-cancelable lease agreements with Alsons Land Corp. for the lease of office and parking spaces located at 2286 Chino Roces Avenue, Makati City. The lease agreement for the office space has a term of one year with fixed monthly rental payments payable at the beginning of each month. The lease agreements are renewable in writing upon mutual agreement of the parties. Rental expense amounted to ₱1.97 million and ₱1.86 million as at December 31, 2024 and 2023, respectively (see Note 14 and 15).
- The Company entered into a non-cancelable lease contract with a third party for the lease of office space located at Suite 8302, Plaza de Luisa Complex R. Magsaysay Avenue, Davao City. The lease agreement has a term of one year with fixed monthly rental payments payable at the beginning of each month. The lease agreements are renewable in writing upon mutual agreement of the parties.

There is no future minimum rental payment under the operating leases since the rental periods commences in January and ends in December.



Allocation of rental expenses follow:

	2024	2023
Direct costs (Note 14)	₱1,478,827	₱1,398,491
General and administrative expenses (Note 15)	633,783	599,353
	₱2,112,610	₱1,997,844

19. Financial Risk Management Objectives and Policies

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

The Company has various financial instruments such as cash and cash equivalents, trade and other receivables, financial assets and trade and other payables, which arise directly from its operations. The main risks arising payable from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk. The BOD reviews and approves the Company's risk management objectives and policies as summarized below.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company's policy is to maintain sufficient cash or have available funding through an adequate amount of credit facilities to meet its commitments.

The Company monitors its risk to a shortage of funds by considering the maturity of both its financial liabilities and projected cash flows from operations.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as of December 31 based on contractual undiscounted payments.

	2024					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 3 Years	No Term	Total
Financial assets						
At amortized cost						
Cash and cash equivalents						
Cash in bank	₱44,083,129	—	₱—	₱—	₱—	₱44,083,129
Cash equivalents	—	₱9,411,945	—	—	—	9,411,945
Trade and other receivables						
Commissions receivable	968,258	—	—	—	—	968,258
Due from related parties	514,909	—	—	—	—	514,909
Advances to employees and officers	236,695	—	—	—	—	236,695
Premiums refund collectible	—	93,587	—	—	—	93,587
Other receivables	23,700	—	—	—	—	23,700
Financial assets at FVOCI	—	—	—	—	22,688,760	22,688,760
	₱45,826,691	₱9,505,532	₱—	₱—	₱22,688,760	₱ 78,020,983
Financial liabilities						
Trade and other payables						
Accounts payable	₱—	₱28,780,065	₱—	₱—	₱—	₱28,780,065
Payable to broker company	10,520,898	—	—	—	—	10,520,898
Accrued expenses	—	3,958,660	—	—	—	3,958,660

(Forward)



2024						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 3 Years	No Term	Total
Advances from insurance companies	₱927,712	₱—	₱—	₱—	₱—	₱927,712
Premium deposit	249,814	—	—	—	—	249,814
Premium refundable to assured	123,749	—	—	—	—	123,749
Advances from affiliates	859,759	—	—	—	—	859,759
Other payables	790,316	—	—	—	—	790,316
	₱13,472,248	₱32,738,725	₱—	₱—	₱—	₱46,210,973

2023						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 3 Years	No Term	Total
Financial assets						
At amortized cost						
Cash and cash equivalents						
Cash in bank	₱27,813,337	₱—	₱—	₱—	₱—	₱27,813,337
Cash equivalents		8,582,350	—	—	—	8,582,350
Trade and other receivables						
Commissions receivable	967,152	—	—	—	—	967,152
Due from related parties	466,582	—	—	—	—	466,582
Advances to Employees and Officers	359,946	—	—	—	—	359,946
Premiums refund collectible	—	394,625	—	—	—	394,625
Other receivables	23,700	—	—	—	—	23,700
Financial assets at FVOCI	—	—	—	—	26,634,632	26,634,632
	₱29,630,717	₱8,976,975	₱—	₱—	₱26,634,632	₱65,242,324
Financial liabilities						
Trade and other payables						
Accounts payable	₱—	₱15,752,648	₱—	₱—	₱—	₱15,752,648
Accrued expenses	—	7,923,088	—	—	—	7,923,088
Payable to broker company	5,303,788	—	—	—	—	5,303,788
Advance from affiliates	889,074	—	—	—	—	889,074
Premium refundable to assured	804,223	—	—	—	—	804,223
Premium deposit	769,053	—	—	—	—	769,053
Advances from insurance companies	269,116	—	—	—	—	269,116
Other payables	3,078,961	—	—	—	—	3,078,961
	₱11,114,215	₱23,675,736	₱—	₱—	₱—	₱34,789,951

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The currency risks of the Company occur because it bills some of its customers in US dollar (US\$) on dollar denominated insurance policies. The Company's policy is to match cash flows from highly probable future sales and costs in foreign currency. The Company measures its risk by comparing the expected change in foreign exchange rates using forward rates against current foreign exchange rate as of reporting date. Foreign currency needed for any unmatched costs are sourced from the spot market. The Company currently does not use derivative financial instruments to manage its currency risks.

The Company's foreign currency denominated financial assets include cash in the statements of financial position.



The Company's US\$ denominated financial assets and liabilities as of December 31 are as follows:

	2024		2023	
	US Dollar	Philippine peso	US Dollar	Philippine peso
Assets				
Cash in banks	\$620,094	₱35,869,354	\$334,918	₱18,546,754

The exchange rates used are ₱57.845 to US\$1 in 2024 and ₱55.37 to US\$1 in 2023.

The Company believes that its profile of foreign currency exposures is within conservative limits for the Company's business industry.

The following table demonstrates the sensitivity to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the income before income tax for the years ended December 31. There is no impact on the equity other than those affecting net income.

Year	Increase/decrease in US\$ exchange rate	Effect on income before income tax
2024	+5.00%	₱1,793,313
	-5.00%	(1,793,313)
2023	+5.00%	₱927,388
	-5.00%	(927,388)

The Company determined the reasonably possible change in foreign exchange rates by using percentage change in the weighted average foreign currency exchange rate for the past three years. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities as at reporting date.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties failed to discharge their contractual obligation. The Company trades only with its related parties and recognized creditworthy third parties. The Company's credit verification procedures are in force to ensure, on an ongoing basis, that the receivables are collected within the agreed terms. With respect to credit risk arising from the financial assets of the Company, which comprise cash in banks, trade and other receivables and financial assets, the Company's maximum exposure to credit risk equal to the carrying amounts of these instruments.

The gross maximum exposure to audit risk of the Company approximates its net maximum exposure. There were no amounts subject to an enforceable master-netting arrangement or similar arrangement as of December 31, 2024 and 2023. There are no significant concentrations of credit risk within the Company.

Commissions receivable

For commissions receivable, the Company used the simplified approach to calculate the ECL using provision matrix for trade receivables. 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 assessed that the impact of recognizing ECL for its commissions receivable is not material as the risk of default of the insurance companies is low. The Company can offset these receivables from the premium collections to be remitted by the Company to the insurance companies, in case of default.



Other financial assets at amortized cost

The Company's other financial assets at amortized cost are mostly composed of cash in banks and other receivables. The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation to the banking industry. Cash in banks cash equivalents and short-term placement are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

It is the Company's policy to measure ECL on the above financial assets 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.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

For the Company's financial assets, credit quality is monitored and managed using internal credit ratings. Internal risk ratings are derived in accordance with the Company's rating policy.

The table presented below presents the summary of the Company's exposure to credit risk as of December 31, 2024 and 2023 and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

2024				
	Financial Assets			
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Total
Financial assets				
Cash and Cash Equivalents				
Cash in bank	₱44,083,129	₱—	₱—	₱44,083,129
Cash equivalents	9,411,945	—	—	9,411,945
Trade and other receivables				
Commission receivable	968,258	—	—	968,258
Due from related parties	514,909	—	—	514,909
Advances to officers and employees	236,695	—	—	236,695
Premiums refund collectible	93,587	—	—	93,587
Other receivables	23,700	—	—	23,700
	₱55,332,223	₱—	₱—	₱55,332,223
2023				
	Financial Assets			
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Total
Financial assets				
Cash and Cash Equivalents				
Cash in bank	₱27,813,337	₱—	₱—	27,813,337
Cash equivalents	8,582,350	—	—	8,582,350
Trade and other receivables				
Commission receivable	967,152	—	—	967,152
Due from related parties	466,582	—	—	466,582
Premiums refund collectible	394,625	—	—	394,625
Advances to officers and employees	359,946	—	—	359,946
Other receivables	23,700	—	—	23,700
	₱38,607,692	₱—	₱—	₱38,607,692



High grade pertains to receivables with no default in payment. Standard rated receivables are collectible from 0 to 90 days from issuance of statement of accounts.

Financial Instruments

Due to the short-term nature of cash in banks, trade and other receivables and trade and other payables, their carrying values reasonably approximate fair values as at December 31, 2024 and 2023.

The fair value of equity securities at FVOCI that are actively traded in organized financial markets is determined by reference to quoted market prices within the bid-offer price range, at the close of business on the end of the reporting period or the last trading day as applicable

Fair Value Hierarchy

As of December 31, 2024 and 2023, the Company classifies financial assets under Level 1 of the fair value hierarchy. During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

20. Supplementary Information Required Under Revenue Regulations No. 15-2010

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

a. Value added tax (VAT)

The Company's insurance and reinsurance commission are subject to output VAT while purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

	Net Sales/ Receipts	Output VAT
Vatable sales/receipt to private entities	₱55,330,016	₱6,639,602
Zero-rated sales/receipt	3,078,289	-
	₱58,408,305	₱6,639,602

The Company's commission income is based on revenue earned as stated on invoice issued. Zero-rated receipts pertain to receipts of commission from insured under the Renewable Energy Act.

Input VAT

Balance at January 1, 2024	₱167,638
Current year's domestic purchases/payments for:	
Goods other than capital goods	377,644
Services lodged under cost of goods sold	2,323,059
Quarterly VAT Payments for three (3) quarters	3,679,142
	6,547,483
Output VAT	(6,639,602)
Payable at December 31, 2024	₱92,119



b. Other Taxes and Licenses (Note 14 and 15)

Local

Mayor's permits	₱371,586
Community tax	12,584
	<u>384,170</u>

National

Insurance commission registration and fees	297,950
Other licenses	29,300
	<u>327,250</u>
Total taxes and licenses	<u>₱711,420</u>

c. Withholding Taxes

	Paid	Accrued	Total
Withholding taxes on compensation and benefits	₱716,544	₱41,421	₱757,965
Expanded withholding taxes	370,382	127,973	498,355
Final taxes	–	491,496	491,496
	<u>₱1,086,926</u>	<u>₱660,890</u>	<u>₱1,747,816</u>

d. Tax Assessments and Cases

The Company is not involved in any tax cases, litigations and/or prosecution in courts or bodies outside the BIR.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Alsons Insurance and Reinsurance Brokers Corporation
G/F, Alsons Building
2286 Chino Roces Extension, Makati City

We have audited the financial statements of Alsons Insurance and Reinsurance Brokers Corporation (the Company) as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 24, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the Company has nine (9) stockholders owning more than one hundred (100) shares.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño
Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

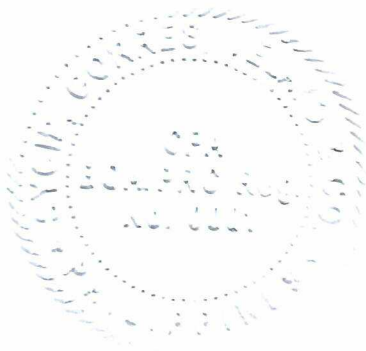
Tax Identification No. 225-158-629

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

BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465259, January 2, 2025, Makati City

April 24, 2025



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Alsons Insurance and Reinsurance Brokers Corporation
G/F, Alsons Building
2286 Chino Roces Extension, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Alsons Insurance and Reinsurance Brokers Corporation (the Company) as at and for the year ended December 31, 2024, and have issued our report thereon dated April 24, 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 No. 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.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner

CPA Certificate No. 114462

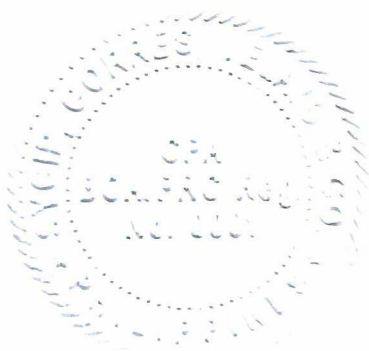
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ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Supplementary Schedules Required by Insurance Commission Circular Letter No. 2021-65

- Segregation of Client's Money Account
- Net Worth Compliance
- Fiduciary Ratio Computation
- Offsetting Arrangements