IUBI INSURANCE INTERMEDIARY CORPORATION

STATEMENTS OF FINANCIAL POSITION

For the Year ended December 31, 2025 and Re-stated 2024

	Notes		December 31, 2025		2024 (As Restated)
ASSETS					
CURRENT ASSETS					
Financial Assets at Amortized Cost					
Cash	*3.1, 4 & 5*	₱	**4,056,005**	₱	1,569,658
Receivables, net	*3.1, 4 & 6*		**2,549,940**		11,483,911
Other current assets	*7*		**10,643,722**		8,735,254
Total Current Assets			**17,249,667**		21,788,823
NONCURRENT ASSETS					
Investments	*3.1, 4 & 9*		**12,824,184**		11,435,711
Investment property	*3.2 & 8*		**33,391,007**		10,813,827
Property and equipment, net	*3.3 & 11*		**96,531**		42,530
Deferred tax asset - net	*3.13 &*		-		24,529
Total Noncurrent Assets			**46,311,722**		22,316,598
TOTAL ASSETS		₱	**63,561,389**	₱	44,105,421
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Financial Liabilities at Amortized Cost					
Premiums payable	*3.1, 3.7 & 12*	₱	**4,725,801**	₱	11,014,962
Accounts payable and accrued expenses	*3.1 & 13*		**4,830,921**		379,574
Non-Financial Liabilities					
Other current liabilities	*14*		**311,085**		177,113
Total Current Liabilities			**9,867,807**		11,571,649
NONCURRENT LIABILITIES					
Financial Liabilities at Amortized Cost					
Due to related parties	*3.16 &16*		**6,205,933**		361,274
Retirement liability	*3.15 &15*		**1,773,507**		1,444,027
Deferred tax liability - net	*3.13 &*		**2,785,416**		-
Total Noncurrent Liabilities			**10,764,856**		1,805,301
TOTAL LIABILITIES			**20,632,663**		13,376,950
EQUITY					
Share capital	*3.8 & 17*		**15,000,000**		15,000,000
Reserves	*3.8 & 17*		**(1,780,541)**		(1,286,242)
Retained earnings	*3.8 & 17*		**29,709,267**		17,014,714
TOTAL EQUITY			**42,928,726**		30,728,472
TOTAL LIABILITIES AND EQUITY		₱	**63,561,389**	₱	44,105,421

See accompanying Notes to Financial Statements.

IUBI INSURANCE INTERMEDIARY CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Period ended December 31, 2025 and 2024

	Notes	For the Years Ended December 31, 2025	2024
Net commission income	*3.10*	₱ **12,654,721**	₱ 8,991,831
Cost of services	*3.11 & 20*	**5,954,412**	4,887,468
Gross profit		**6,700,309**	4,104,363
Administrative expenses	*3.11 & 21*	**6,900,545**	2,976,698
Income from operation		**(200,236)**	1,127,664
Other income	*3.10, 8 & 19.1*	**16,166,837**	1,093,369
Other expense	*3.11 & 19.2*	**(125,084)**	-
Profit before income tax expense		**15,841,517**	2,221,033
Income tax expense			
Current income tax expense	*3.13 & 23.1*	**337,020**	538,667
Deferred income tax expense	*3.13 & 23.2*	**2,809,945**	(24,529)
Income tax expense	*3.13 & 23*	**3,146,965**	514,138
Net Income for the year		**12,694,552**	1,706,895
Add: Other comprehensive income (loss)			
Unrealized gain(loss) on fair value of available-for-sale financial assets	*3.1, 3.8 & 9*	**(494,299)**	67,555
TOTAL COMPREHENSIVE INCOME, Net of Tax		₱ **12,200,253**	₱ 1,774,450
EARNINGS PER SHARE	*3.9 & 18*	**8.46**	1.14

See accompanying Notes to Financial Statements.

IUBI INSURANCE INTERMEDIARY CORPORATION

STATEMENTS OF CHANGES IN EQUITY

For the Year ended December 31, 2025 and Re-stated 2024

	Notes	For the Years Ended December 31, 2025		2024
CAPITAL STOCK				
Authorized-1,500,000 shares @ P 10.00 per share				
Issued and outstanding shares	*3.8 & 17*	₱	**15,000,000**	P 15,000,000
OTHER COMPREHENSIVE INCOME				
Balance, beginning			**(1,286,242)**	(1,353,797)
Unrealized gain (loss) on fair value of AFS	*3.8 & 9*		**(494,299)**	67,555
Balance, ending			**(1,780,541)**	(1,286,242)
RETAINED EARNINGS	*3.8*			
Balance, beginning (as restated)			**17,014,714**	15,307,819
Income for the year			**12,694,552**	1,706,895
Unapproriated Retained Earnings			**29,709,267**	17,014,714
TOTAL EQUITY		₱	**42,928,726**	₱ 30,728,472

See accompanying Notes to Financial Statements.

IUBI INSURANCE INTERMEDIARY CORPORATION
STATEMENTS OF CASH FLOWS
For the Year ended December 31, 2025 and 2024

	Notes	For the Years Ended December 31, **2025**	2024 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive income, net of tax		₱ **12,200,253**	₱ 1,774,450
Adjustments			
Depreciation and amortization	*21,22*	**41,909**	180,299
Unrealized Gain on Change in Fair Value of Investment Property	*8*	**(15,277,173)**	-
Unrealized Gain on fair value of AFS	*9*	**494,299**	(67,555)
Retirement benefits	*15*	**329,480**	147,117
Prior Period Adjustment		-	-
Deferred tax asset		**24,529**	(24,529)
Deferred tax liability		**2,785,416**	-
Decrease (Increase) in current assets:			
Receivables	*6*	**8,933,971**	(4,793,908)
Other current assets	*7*	**(1,908,467)**	(818,775)
Increase (Decrease) in current liabilities:			
Premium payable	*12*	**(6,289,161)**	4,233,732
Accounts payable and accrued expenses	*13*	**4,451,347**	(644,699)
Other current liabilities	*14*	**133,972**	(37,452)
Net cash provided (used) by operating activities		**5,920,375**	(51,320)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	*11*	**(95,910)**	(14,813)
Acquisition of investment property	*8*	**(7,300,007)**	-
Placement of investment	*9*	**(9,958,140)**	(3,738,947)
Redemption of investment	*9*	**8,075,369**	3,022,656
Net cash provided (used) by investing activities		**(9,278,688)**	(731,103)
CASH FLOWS FROM FINANCING ACTIVITY			
Deposit for Future Subscription	*16*	**5,857,912**	-
Decrease in due to related parties	*16*	**(13,253)**	(6,783,305)
Capital Infusion	*17*	-	7,000,000
Net cash provided by financing activity		**5,844,659**	216,695
NET INCREASE (DECREASE) IN CASH		**2,486,347**	(565,728)
CASH, BEGINNING		**1,569,658**	2,135,386
CASH, END	*5*	₱ **4,056,005**	₱ 1,569,658

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and Re-stated 2024

1. CORPORATE INFORMATION

IUBI Insurance Intermediary Corporation (the "Company") is a domestic corporation registered with the Securities and Exchange Commission (SEC) under SEC Registration No. AS93-001429 on February 22, 1993 for the primary purpose of acting as broker for HMO and non-life insurance, such as marine, personal accident, motor car, liability, special risks, aviation, hospitalization, life and endowment policies.

The registered office of the Company, which is also its principal place of business, is located at 3/F EMF Bldg., 7426 Santillan St., Makati City.

The Company employed ten (10) and nine (9) personnel for the years 2025 and 2024, respectively.

The accompanying financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on July 08, 2026.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Presentation of Financial Statements

The accounting records of the Company are maintained in Philippine Pesos (₱) which is the Company's functional currency. All financial information presented in Philippine Peso is rounded to the nearest peso except when otherwise stated.

Assets and liabilities are presented in the Statements of Financial Position in a current/noncurrent distinction.

The Statements of Comprehensive Income presents an analysis of expenses showing a detailed breakdown of the aggregated expenses according to the nature of the expenses.

The Company changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to its users and the revised structure is likely to continue so that comparability is not impaired.

(b) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB). PFRS consist of:

(i) PFRS – corresponding to International Financial Reporting Standards;
(ii) Philippine Accounting Standards (PAS) – corresponding to International Accounting Standards; and,
(iii) Interpretations to existing standards – representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), of the IASB which are adopted by the FRSC.

(c) Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial and non – financial assets. The financial statements are prepared on the accrual basis of accounting and on the assumption that the Company is a going concern and will continue operation for the foreseeable future.

(d) Use of judgments and estimates

The preparation of the Company's financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Management Judgments in Applying Accounting Policies

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

aa) Judgement exercised in assessing whether there are any continuing effects of the COVID 19 pandemic induced recession and external and local challenges on the Company's Going Concern

The Philippine economy has maintained a steady gross domestic product (GDP) growth of 5.6% in 2024—the second fastest in ASEAN— despite external and local challenges such as extreme weather events, geopolitical tensions, and subdued global demand.

The outlook for 2025 also remains bullish, fueled by lower inflation and higher consumption and more investments materializing due to the CREATE MORE Act taking full effect.

In 2024, services and industry remained the main drivers of growth, mainly in wholesale and retail trade, financial and insurance activities and professional and business services. Construction also had a robust full-year growth performance along with the rebound of the manufacturing sector although with slight contraction in the agriculture sector due to the impact of six successive typhoons, which disrupted crop production, livestock, and fisheries.

As domestic and external headwinds persist in 2025, the government will continue implementing growth-enhancing strategies to ensure that the Philippines remains on track with its medium- to long-term goals set under the Philippine Development Plan (PDP) 2023-2028.

Key domestic and external risks in 2025 include weather disturbances, extreme natural disasters, an acute and protracted global economic slowdown in major economies, ongoing geopolitical tensions and conflicts, trade wars, and protectionist trade policies, especially in the US.

The Company exercised judgement in determining whether there are continuing effects of the COVID 19 pandemic induced recession or any of the external and local challenges such as extreme weather events, geopolitical tensions, and subdued global demand on the Company's going concern and/or whether such continuing effect will result to an adjusting event. Management also reviewed certain accounts subject to judgement and estimation uncertainty such as impairment of financial and non-financial assets, expected credit losses or recoverability of deferred tax assets.

The management concluded that the pandemic-induced recession or any of the external and local challenges have no material impact on its financial statements for the reporting period.

bb) Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Peso. The Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the revenue, costs and expenses of the Company.

cc) Disclosure on Related Party Transactions

The Company determines the level of detail to be disclosed, in accordance with the requirements of the Philippine Financial Reporting Standards, in order to provide information in sufficient detail to the users of the financial statements to understand the effects of related party transactions on its financial statements:

i. the nature and amount of each individually significant transaction; and
ii. a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

In arriving at this judgment, the Company considers the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transactions. *(See Note 16)*

dd) Operating and Finance Leases

The Company has entered into a lease agreement as a lessee *(see Note 24)*. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. The Company determined that the lease arrangements pertain to operating lease rather than finance lease because there is no transfer of risk and rewards of ownership of the properties.

Rental expenses from the operating lease amounted to P918,204 and P414,581 for the years ended December 31, 2025 and 2024, respectively. This expense is allocated to the Cost of Services and Administrative Expenses on a 50% / 50% basis. *(See Notes 20, 21 and 24)*

ee) Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies based on the certainty of the significant obligation or outflow resulting from contractual obligations, agreements, etc. and said outflow can be estimated reliably even if timing may not be certain. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in *Note 3.6.*

ff) Allocation of overhead to Cost of Services and Administrative Expenses

The Company exercised judgment in allocating rent expense and depreciation expense to Cost of Services and Administrative Expenses on a 50% / 50% basis.

Key Sources of Estimation Uncertainty

The *estimates and associated assumptions* are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company's management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in *Note 3.7*.

ii) Impairment of Trade and Other Receivables

Allowance is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts at each reporting period based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the customers, observable data that comes to the attention of the Company on the customers' current credit status based on third party credit reports and on known market forces, average age of accounts, collection experience and historical loss experience or other financial re-organization. *(See Note 6)*

The Company records the loss allowance as lifetime expected credit losses. A total of 2,549,940 and P11,483,911 of allowance for expected credit losses for the year 2025 and 2024, respectively, were concluded by the Company as sufficient *(See Note 6)*. Provision for expected credit losses for 2025 and 2024 amounted to P1,321,821 and P773,029, respectively. *(See Notes 6 & 21)*

iii) Valuation of Financial Assets Other than Trade and Other Receivables

In 2025 and 2024, the Company carries other financial assets such as financial assets at fair value through other comprehensive income (OCI).

The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking 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.

In determining the fair value of the Company's financial assets at fair value, management evaluates the presence of significant and prolonged decline in the fair value of share price below its cost, the normal volatility in the share price, the financial health of the investee and the industry and sector performance like changes in operation and financial cash flows. Any indication of deterioration in these factors can have a negative impact on their fair value. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit and loss and equity.

The carrying amounts of AFS financial assets amounted to P12,824,184 and P11,435,711 as at December 31, 2025 and 2024, respectively. *(See Note 9)*

iv) Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of property and equipment are analyzed in Note 8. Actual results however may vary due to changes in estimates brought about by changes in factors mentioned above. There is no change in estimated useful lives of property and equipment during the year. *(See Note 3.3)*

v) Fair Value Measurement of Investment Properties

The Company's thirteen (13) parcels of vacant lots and condominium units, presented as part of the Investment Property account, is carried at revalued amount at the end of the reporting period. In determining the fair value of these assets, the Company engages the services of professional and independent appraisers applying the relevant valuation methodologies.

For the Company's office condominium unit and improvements with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in these elements may affect prices and the value of the assets. The unrealized gain on increase in fair market value of investment property amounts to P15,277,173 for the year ended December 31, 2025. *(see Note 8)*

vi) Realizable Amount of Deferred Tax Assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Company reviews its deferred tax assets and liabilities at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset and/or liability to be utilized.

Management has determined based on business forecasts for the succeeding years that there are enough taxable profits against which the recognized deferred income tax assets will be realized. *(See Note 23)*

vii) Income Tax Provision

The Company's current tax provision amounting to P337,020 relates to management's assessment of the amount of tax payable and deferred tax items for which a provision of future deductible benefit and future taxable income totaling to P330,260 and P3,115,676 respectively relates principally to the interpretation of tax legislation applicable to the Company. *(see Note 23)*

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of certain new PFRS and amendments to existing PFRS and PAS which became effective for the current period on or after January 1, 2025.

The Company changes an accounting policy only if the change is (a) required by a Standard or an Interpretation; or (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial position, financial performance or cash flows.

Impact of New Amendments and Interpretations to Existing Standards

There are new and revised accounting standards, amendments and interpretations to existing standards that have been published by IASB and adopted by FRSC which are mandatory for accounting periods on or after January 1, 2025. Except as otherwise stated, the adoption of the new standards, amendments and interpretations, did not have a significant effect on the Company's financial statements. These standards are as follows:

Adoption of New and Revised Accounting Standards Effective in 2024
Supplier Finance Arrangements (Amendment to PAS 7 and PFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures (the Amendments).

These Amendments arose as a result of a submission received by the PFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in PFRS Accounting Standards existing at that time.

During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments.

The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Management concluded that the adoption of the new or revised PFRS in 2024 do not have a material impact on the financial statements as the Company has not entered any supplier finance arrangement.

Lease Liability in a Sale and Leaseback (Amendment to PFRS 16)

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Management concluded that the adoption of the new or revised PFRS in 2024 do not have a material impact on the financial statements as the Company's leases are accounted for under operating lease.

Classification of Liabilities as Current or Non-Current (Amendment to PAS 1)

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Management concluded that the adoption of the new or revised PFRS in 2024 will not have a material impact on the financial statements as the Company do not have the right to defer settlement on its maturing liabilities for at least twelve months after the end of the reporting period.

Amendment – Noncurrent Liabilities with Covenants (Amendment to PAS 1)

Subsequent to the release of amendments to PAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended PAS 1 further in October 2022.

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

Management concluded that the adoption of the new or revised PFRS in 2024 will not have a material impact on financial statements as the clarification in the amendment did not change the Company's established policies on the classification of liabilities as current or non-current.

Standards and Amendments Mandatorily Effective from 1 January 2025

Lack of Exchangeability (Amendment to PAS 21)

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Management anticipates that the adoption of the new or revised PFRS in the future periods will not have a material impact on the financial statements in the period of their initial adoption as the Company determined that its foreign currency is readily exchangeable to another currency.

Standards and Amendments Mandatorily Effective from 1 January 2027

PFRS 17, 'Insurance contracts'

This standard replaces PFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. PFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Management anticipates that the adoption of the new or revised PFRS in the future periods will not have a material impact on the financial statements in the period of their initial adoption as the Company do not issue insurance contracts.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

3.1 Financial Instruments

Classification and Measurement at initial recognition

Financial assets and liabilities are classified and measured at fair value at initial recognition (adjusted in some cases for transaction costs). The exception is for trade receivables that do not contain a significant financing component, as defined by PFRS 15, Revenue from Contracts with Customers. These are measured at the transaction price (e.g. invoice price excluding costs collected on behalf of third parties, such as sales taxes). As a practical expedient, it can be presumed that a trade receivable that does not have a significant financing component if the expected term is less than one year.

Financial assets are generally classified and measured at fair value, with changes in fair value recognized in profit or loss as they arise (FVPL) unless restrictive criteria are met for classifying and measuring them at Amortized Cost or Fair Value through Other Comprehensive Income (FVOCI).

Financial Assets and Financial Liabilities held:

Financial Assets	*Notes*		2025		2024
Financial Assets at amortized cost					
Cash	*5*	₱	**4,056,005**	₱	1,569,658
Premium receivable, net	*6*		**1,422,805**		9,318,713
Commission receivable, net	*6*		**706,725**		1,645,034
Advances to officers and employees	*6*		**228,226**		113,832
Other receivables	*6*		**192,183**		406,332
Total		₱	**6,605,945**	₱	13,053,569
Financial Liabilities					
Financial liabilities at amortized cost					
Due to insurance companies	*11*		**4,725,801**		11,014,962
Accounts Payable	*12*		**3,254,173**		-
Accrued expense	*12*		**1,388,049**		195,521
Deposit from tenant	*12*		**73,835**		109,548
Other Payable	*12*		**114,863**		74,505
Retirement liability	*14*		**1,773,507**		1,444,027
Total		₱	**11,330,229**	₱	12,838,563

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortized cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

In the periods presented the Company does not have any financial assets categorized as FVOCI and FVTPL.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement of financial assets

a)Financial Assets at amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees that are integral part of the effective interest rate.

Cash includes cash on hand and in banks which are stated at face value. The Company's cash and receivables are included under this category.

b)Investments

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are subsequently measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS debt instruments, are recognized in other comprehensive income (OCI) and presented in the "Fair value reserve" account in the statements of changes in equity. The effective yield component of AFS debt securities is reported as part of the "Other income" account in the statements of income. Dividends earned on holding AFS equity securities are recognized as dividend income when the right to receive payment has been established. When individual AFS financial assets are either derecognized or impaired, the related accumulated unrealized gains or losses previously reported in equity are transferred to and recognized in profit or loss.

AFS financial assets also include unquoted equity instruments with fair values which cannot be reliably determined. These instruments are carried at cost less impairment in value, if any.

The Company's AFS financial assets included under "Investment" account in the statements of financial position are classified under this category. *(See Note 9)*

Financial Liabilities

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the EIR method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered integral part of the EIR of the liability.

The Company's premiums payable, accounts payable and accrued expenses and other liabilities are included in this category.

Derecognition of Financial Assets and Financial Liabilities

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

a) The contractual rights to receive cash flows from the asset have expired; or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets

The Company assesses at the reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Assets Carried at Amortized Cost. For financial assets carried at amortized cost such as loans and receivables, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a particular financial asset that was individually assessed, the Company includes the asset as part of a group of financial assets with similar credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which and impairment loss is, or continues to be, recognized are not included in the collective impairment assessment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest or interest payments or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower. For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions or industry-wide developments indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original EIR (i.e. the EIR computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is not material. If a loan or receivable has a variable rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium. For collective impairment purposes, impairment loss is computed based on their respective default and historical loss experience.

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The impairment loss for the period shall be recognized in profit or loss. If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets. For AFS financial assets, a significant prolonged decline in the fair value indicates impairment. For AFS financial assets, the impairment loss is the difference between its current fair value and its original cost. Impairment loss is transferred from equity to the statement of comprehensive income. Reversals of impairment losses are reversed through the statement of comprehensive income, to the extent the initial impairment loss was transferred from equity to the statement of comprehensive income. The reversal must be objectively supported by an increase in the fair value of the instrument after impairment loss was recognized.

Classification of financial instruments between debt and equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial assets to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or (c) satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Financial liabilities are subsequently stated at amortized cost; any difference between the proceeds, net of transaction cost and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.2 Investment Property

Investment properties are properties held for long-term rental yields or for capital appreciation or both and not occupied by the Company. Initially, investment properties are measured at cost including transaction cost but excluding the day-to-day servicing cost. Replacement cost is capitalized if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured.

Subsequent to initial recognition, the Company's investments are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise. The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair values of the investments are based on current prices in an active market for similar property in the same location and condition and/or based on the results of the latest appraisal of the property. The company will obtain independent appraisals of its properties at least once every three (3) years or when significant changes in market conditions occur.

Investment properties are derecognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains and losses on derecognition of an investment property are recognized in the statement of comprehensive income in the year of derecognition.

The estimated useful life of the Company's investment property is as follows:

	Number of years
Condominium unit	25

3.3 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value, except building which is carried at appraised value less depreciation and amortization and any impairment in value.

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

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases or the estimated useful lives of the improvements.

The estimated useful lives of the Company's property and equipment are as follows:

	Number of years
Office equipment and machinery	3 - 10
Office furniture and fixtures	3 - 10
Transportation equipment	5 - 10
Leasehold improvements	3 - 10
Computer software	5

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

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected as income or loss in the statement of income and expenses in the period of retirement or disposal.

3.4 Intangible Asset

Intangible asset pertains to the computer software which was stated at cost less amortization and any impairment value. Costs associated with maintaining computer software programs are recognized as an expense in the statement of comprehensive income.

Computer software is amortized on a straight line basis over its estimated useful life of 5 years. The amortization period and method are reviewed at each financial year end.

The carrying amount of computer software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company acquired a software at P451,330 for use in operations. The software is fully amortized as at reporting date although still in use.

3.5 Impairment of Nonfinancial Assets

An assessment is made at each statement of financial position date if there is any indication of impairment of any non-financial asset (i.e., investment in real property and property and equipment) or if there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at higher of the asset's value in use or its net selling price.

An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount. An impairment loss is charged to profit or loss in the year in which it arises, unless the asset is carried at a revalued amount, in which case, the impairment loss is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed by a credit to operations (unless the asset is carried at a revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in the prior years.

3.6 Provisions and Contingencies

Provisions are recognized when the Company has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. 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 assessment 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. When the Company expects a provision to be reimbursed, the reimbursement is not recognized as a separate asset but only when the reimbursement is virtually certain and its amount is estimable. The expense rebating to any provision is presented in the statement of comprehensive income, net of any reimbursement. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

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 as well but disclosed when an inflow of economic benefits is probable.

3.7 Fair Value Measurements

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

The Company does not have financial instruments measured at fair value using Level 2 or Level 3 fair value inputs.

3.8 Equity

Capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments. Share capital is determined using the par value of the shares that have been issued. *(See Note 17.1)*

Other Comprehensive Income
This consists of net cumulative unrealized gains (losses) on increase and decrease of fair market value of available for sale securities.

Retained Earnings
Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

Prior period Errors
The correction of prior period error is excluded from profit or loss for the period in which the error is discovered but it is an adjustment of the beginning balance of the earliest period presented. *(See Note 17.2)*

3.9 Earnings per Share

Basic earnings per share is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares issued and outstanding during the year after considering the retroactive effect, if any, of stock dividends declared during the year, excluding treasury shares. *(See Note 18)*

Diluted earnings per share is calculated by dividing the net income or loss for the year by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and adjusted for the effects of all dilutive potential common shares, if any.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

3.10 Revenue Recognition

Revenue is recognized to the extent that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Commission Income on direct insurance and reinsurance brokerage is recognized when the insured is billed by the Company and upon issuance of reinsurance binder or statement of accounts to reinsurers, respectively. The amount of income is adjusted when there are cancellations or additions in insurance coverage.

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

Unrealized gain on increase on investment property is recognized immediately in profit or loss under the Statement of Comprehensive Income using the Fair Value Model.

Rental income is recognized on the month it is earned.

3.11 Cost and Expense Recognition

Costs and expenses are recognized upon utilization of the service or at the date they are incurred.

3.12 Operating Lease

Company as Lessee
Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are recognized as expenses in profit or loss on a straight-line basis over lease term.

Company as Lessor
Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as Rental Income in the Statements of Comprehensive Income on a straight-line basis over the lease term.

3.13 Income Taxes

Current Tax
Current income tax assets and liabilities for the current and the prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the applicable tax rate for the years presented. *(See Note 23.1)*

Deferred Tax
Deferred tax is provided, using the balance sheet liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. *(See Note 23.2)*

3.14 Foreign Currency Transactions

The functional and presentation currency of the Company is the Philippine Peso. Transactions denominated in foreign currencies are recorded in Philippine Peso based on the exchange rate prevailing at each transaction date. Foreign currency-denominated monetary assets and monetary liabilities are translated to Philippine Peso at the exchange rate prevailing at the statement of financial position date. Foreign exchange difference between the rate at transaction date and the rate at settlement date or statement of financial position date of foreign currency-denominated monetary assets and monetary liabilities is credited to or charged against current operations.

3.15 Retirement benefit

The Company is yet to establish a formal retirement plan for its employees. Thus, the company's retirement benefit obligation is measured using the accrual approach based on the minimum retirement benefits required under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law. Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' year of service, without consideration of future changes in salary rates and service periods.

In 2025 and 2024, the company's retirement fund was computed based on the latest salary of qualified employees, equivalent to half a month, and their corresponding number of years in service, taking into consideration the five days service incentive leave in a year and 13th month benefits of the employees.

3.16 Related Parties

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

3.17 Events after financial reporting date

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

4. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Objectives and Policies

The Company has significant exposure risk and a variety of financial risks from its use of financial instruments. The Company's risk management involves the close cooperation of the Company's BOD in developing objectives, policies and processes on insurance, liquidity, credit and market risks and the Company's management of capital.

The Company's principal non-trade related instruments include cash and AFS financial assets. These financial instruments are used mainly for working capital management purposes. The Company's trade-related financial assets and financial liabilities such as receivables, premiums payable and accounts payable and accrued expenses arise directly from and are used to facilitate daily operations.

Governance

The primary objective of the Company's insurance and financial risk management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of the financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having and effective risk management system. The BOD has the overall responsibility for the establishment and oversight of the Company's risk management framework.

Insurance Risk

Insurance risk is the risk that any one of the principals may claim against the Company for any unforeseen errors and omissions made by the Company.

The above risk exposure is mitigated by insurance coverage purchased on an insurance company. The variability of risk is also lessened by careful negotiation and implementation of brokerage strategy guidelines

Key Assumptions

The principal assumptions underlying the estimates made the Company depend on the past claim experience and industry levels. These include assumptions in respect to average claim cost, inflation factor and handling cost. Judgment is used to assess the extent to which external factors such as judicial decision and government legislation affects the estimates

Financial Risk

The Company is exposed to financial risk through its financial assets, liabilities and insurance liabilities. The most important components of this financial risk are liquidity risk, credit risk and market risk.

Liquidity Risk

Liquidity risk is the risk that there are insufficient funds available to adequately meet the credit demands of the Company's customers and repay its current maturing obligations.

The Company monitors its cash flow position, debt maturing profile and overall liquidity position in assessing its exposure to liquidity risk.

The table below shows the maturity profile of Company's financial liabilities based on contractual undiscounted repayment obligations:

2025	1-2 years	3-5 years	5 years above	Total
Premiums payable	**P 4,725,801**	**P -**	**P -**	**P 4,725,801**
Accounts payable	**3,254,173**	-	-	**3,254,173**
Accrued expenses	**1,388,049**	-	-	**1,388,049**
Due to related parties	**6,205,933**	-	-	**6,205,933**
Retirement liability	-	-	**1,773,507**	**1,773,507**
	P 15,573,956	**P -**	**P 1,773,507**	**P 17,347,464**

2024	1-2 years	3-5 years	5 years above	Total
Premiums payable	P 11,014,962	P -	P -	P 11,014,962
Accounts payable	-	-	-	-
Accrued expenses	195,521	-	-	195,521
Due to related parties	361,274	-	-	361,274
Retirement liability	-	-	1,444,027	1,444,027
	P 11,571,757	P -	P 1,444,027	P 13,015,784

**The above schedules exclude taxes and other statutory payables.*

Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

The Company's credit risk is concentrated on its cash (excluding cash on hand), receivables and AFS financial assets. To manage this risk, cash (excluding cash on hand), receivables and AFS financial assets are placed with reputable entities with high quality external credit rating.

Breakdown of allowance for credit losses based on their age as follows:

	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	TOTAL
Commission receivables	P234,675	P187,031	P285,018	P990,384	P1,697,109
% of allowance for ECL	-	-	-	100%	
Allowance for ECL	-	-	-	**P990,384**	**P990,384**

The table shows aging of receivables as follows:

	2025	2024
1 to 30 days	**P 234,675**	P 1,117,508
31 to 60 days	**187,031**	62,445
61 to 90 days	**285,018**	465,081
Over 90 days	**990,384**	494,175
	P 1,697,109	P 2,139,209

The financial information on the Company's maximum exposure to credit risk of financial assets as at December 31, 2025 and 2024 are presented below:

2025	Neither Impaired nor past due				Total
	High	Medium	Low		
Cash	**P4,052,505**	**P -**	**P 3,500**	**P -**	**P 4,056,005**
Receivables	**2,549,940**	**-**	**-**	**2,116,553**	**4,666,493**
Investments	**-**	**12,824,184**	**-**	**-**	**12,824,184**
	P 6,602,445	**P 12,824,184**	**P 3,500**	**P 2,116,553**	**P 21,546,682**

2024	Neither Impaired nor past due			Either past due or impaired	Total
	High	Medium	Low		
Cash	P 1,566,158	P -	P 3,500	P -	P 1,569,658
Receivables	11,483,911	-	-	794,732	12,278,642
Investments	-	11,435,711	-	-	11,435,711
	P 13,050,069	P 11,435,711	P 3,500	P 794,732	P25,284,011

Market risk

Market risk is the risk of future loss from changes in the price of a financial instrument.

The Company's market risk arises from its investments carried at fair value. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Foreign currency risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the translation of USD-denominated cash.

To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

As of December 31, 2025 and 2024, the Company has outstanding foreign currency exposure on the cash totaling to P4,184,141 and P252,847, respectively.

Interest rate risk

The Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

5. CASH

This account consists of the following:

		2025		2024
Client's Money in Bank *(Note 5.1)*	₱	**2,177,000**	₱	1,319,595
Cash in banks and brokers fund		**1,875,505**		246,563
Petty cash		**3,500**		3,500
	₱	**4,056,005**	₱	1,569,658

Cash in bank represents savings account deposits in local bank which earn interest at the prevailing bank deposit rates. Interest income earned on its cash in banks amounted to **P974** in **2025** and P1,190 in 2024, net of final tax, and is presented as Other Income in the statements of comprehensive income.

Included in Cash in bank are USD-denominated bank deposits amounting to USD 71,170.70 translated to P4,184,140 and USD 5,124.96 translated to P252,847 as at 2025 and 2024, respectively. Unrealized foreign exchange gain(loss) amounts to P301,207 and P24,470 as at 2025 and 2024, respectively.

5.1 Restrictions on cash

Client's money in bank

Section 315 of the Amended Insurance Code requires every license insurance and/or reinsurance broker to ensure faithful performance of its fiduciary responsibilities on behalf of its clients and partner insurance and/or reinsurance companies. Thus, an insurance and/or reinsurance broker is required to keep client monies in a client account separate from its own monies. It is not allowed to use client monies for any purpose other than for the purposes of the client. The "clients' money account" shall be designated as such, as held by the insurance and/or reinsurance broker for its clients.

Client's Money in the bank amounts to P2,177,000 and P1,319,595 as at 2025 and 2024, respectively.

6. RECEIVABLES

This account consists of the following:

		2025		2024 (As Restated)
Premium receivable, net *(Note 6.1)*	₱	**1,422,805**	₱	9,318,713
Commission receivable, net *(Note 6.2)*		**706,725**		1,645,034
Advances to officers and employees *(Note 6.3)*		**228,226**		113,832
Other receivables *(Note 6.4)*		**192,183**		406,332
	₱	**2,549,940**	₱	11,483,911

6.1 Premium receivable
This account represents uncollected premiums including taxes and other charges, these are properly segregated and the corresponding liabilities are set up.

The breakdown of this account is as follows:

		2025		2024 (As Restated)
Premium receivables	₱	**2,548,973**	₱	9,619,269
Less: Allowance for credit losses		**1,126,168**		300,556
	₱	**1,422,805**	₱	9,318,713

Premiums Collected During the Year
These represent considerations received by the Company from the insured (policyholder) as payments for the insurance afforded by the insurers.

Premiums Remitted During the Year
These represent considerations transmitted by the Company to the insurers as payments made for the insurance afforded to the insured.

Based on credit evaluations made, management believes that there were no significant concentrations of credit risk on the above short-term financial assets for the years 2025 and 2024 considering that the account comprises a large number of receivables from various insurance clients..

Allowance for doubtful accounts is a 100% provision based on receivables outstanding over 90 days. Reconciliation on the beginning and ending of the balance of the allowance for doubtful accounts is shown as follows:

		2025		2024
Allowance for credit losses, beg.	₱	**300,556**	₱	19,501
Add: Provision for credit losses *(Note 21)*		**825,612**		281,055
Less: Recovery of ACL		-		-
Less: Write-off against ACL		-		-
Allowance for credit losses, end	₱	**1,126,168**	₱	300,556

6.2 Commission receivable
This consists of uncollected commissions from various insurance companies.

		2025		2024 (As Restated)
Commission receivables	₱	**1,697,109**	₱	2,139,209
Less: Allowance for credit losses		**990,385**		494,175
	₱	**706,725**	₱	1,645,034

Reconciliation on the beginning and ending of the balance of the allowance for doubtful accounts is shown as follows:

		2025		2024
Allowance for credit losses, beg.	₱	**494,175**	₱	2,201
Add: Provision for credit losses *(Note 21)*		**496,209**		491,974
Less: Recovery of ACL		-		-
Less: Write-off against ACL		-		-
Allowance for credit losses, end	₱	**990,385**	₱	494,175

6.3 Advances to Officers and Employees
This includes advances subject to liquidation or short-term loans subject to salary deductions.

6.4Other receivable
This includes advances to clients and officers and employees amounting to **P192,183** and P406,332 in **2025** and 2024, respectively.

7. OTHER CURRENT ASSETS

This consists of the following:

		2025		2024
Creditable withholding tax *(Notes 7.1 & 26f)*	₱	**10,228,101**	₱	8,572,824
Prepayments *(Note 7.2)*		**133,041**		162,430
Input tax *(Note 26a)*		**282,580**		-
	₱	**10,643,722**	₱	8,735,254

7.1 Creditable withholding taxes (CWTs)
This represents the amount withheld by the Company's customers on its sale of services which are used as tax credits against income tax due at the end of the year.

7.2 Prepayments
This consists of advance payment of real estate taxes which are applicable for the following year.

8. INVESTMENT IN PROPERTY

This account consists of the following:

	Land	Condominium Units	Total
Cost, January 1, 2025	₱ 2,990,155	₱ 3,312,343	₱ 6,302,498
Additions	7,300,007	-	7,300,007
Total Cost, December 31, 2025	10,290,162	3,312,343	13,602,505
Fair Value Gain(Loss)			
Beginning	4,039,712	471,617	4,511,329
Gain(Loss) on Fair Value during the year	9,417,133	5,860,040	15,277,173
Total Change in Fair Value, Dec. 31, 2025	13,456,845	6,331,657	19,788,502
Investment Property, Dec. 31, 2025	₱ 23,747,007	₱ 9,644,000	₱ 33,391,007

	Land	Condominium Units	Total
Cost, January 1, 2024, as reported	₱7,029,867	₱3,783,960	₱10,813,827
Adjustment	(4,039,712)	(471,617)	(4,511,329)
Total Cost, December 31, 2024 (As Restated)	2,990,155	3,312,343	6,302,498
Additions	-	-	-
Total Cost, December 31, 2024	2,990,155	3,312,343	6,302,498
Fair Value Gain(Loss)			
Beginning	-	-	-
Adjustment	4,039,712	471,617	4,511,329
Total Cost, December 31, 2024 (As Restated)	4,039,712	471,617	4,511,329
Gain(Loss) on Fair Value during the year	-	-	-
Total Change in Fair Value, Dec. 31, 2024	4,039,712	471,617	4,511,329
Investment Property, Dec. 31, 2024 (As Restated)	₱7,029,867	₱3,783,960	₱10,813,827

The Company's investment property includes thirteen (13) parcels of vacant land and building units which are owned for investment purposes only. This includes lots located at Bacoor, Cavite; Calamba, Laguna; Bansud, Oriental Mindoro; Condominium unit in Dunville, New Manila and a storage unit in Verde de Pasadena.

In August 2025, the BOD approved the acquisition of an undivided twenty five percent (25%) interest in a parcel of land with an area of 6,514 square meters located at Brgy. Zambal, Tagaytay City. The Company's 25% interest was acquired for a total consideration of ₱ 7,300,000. Outstanding liability on this acquisition amounts to ₱3,254,173 *(see Note 13.1)*.

In January 2026, the Company engaged the services of Toppers Performer Appraisal Inc., a SEC-accredited independent appraiser, to appraise the lots and condominium units recorded under investment property which resulted to unrealized gain in fair value amounting to P15,277,173 reported in the Statement of Comprehensive Income under Other Income account.

An annotation was noted on the TCT for Lots 4 and 6 of the Oriental Mindoro property where said lots are 'reserved for bank protection and that no permanent structures shall be allowed unless for erosion control or to enhance the aesthetic qualities of the area'. This is in pursuant to DAO No. 97-05, that governs the management and protection of riverbanks, shorelines, waterways and environmentally sensitive areas.

The Company leases out its investment property (condominium units) under operating lease agreement with typical terms of 6 months to 1 year.. Most contracts include an escalation clause of 5% and a security deposit varying from 1 to 2 months rent. Income from rental of condominium units amounted to P484,201 in 2025 and P612,227 in 2024 was recorded as miscellaneous income under Other Income in the Statements of Comprehensive Income see Note 19. Real property taxes paid during the year amounted to P13,431 *(see Note 26c).*

No investment property were used to secure any obligation.

9. INVESTMENTS

This account consists of the following:

		2025		2024
Available for sale securities				
Cost				
Beginning	₱	**8,956,028**	₱	8,264,208
Additions		**9,958,140**		3,714,477
Redemptions		**(5,109,442)**		(3,022,656)
Total Cost		**13,804,726**		8,956,028
Unrealized gain(loss) on FV of investments				
Beginning		**(1,005,869)**		(929,513)
Unrealized gain(loss) during the year		**(774,672)**		(76,356)
Total Unrealized gain(loss)		**(1,780,541)**		(1,005,869)
Total available for sale securities		**12,024,185**		7,950,160
Unit Investment Trust Fund				
Cost				
Beginning		**2,965,927**		2,941,457
Additions		-		24,470
Redemptions		**(2,965,927)**		-
Total Cost		-		2,965,927
Unrealized gain(loss) on FV of investments				
Beginning		**(280,374)**		(424,285)
Unrealized gain(loss) during the year		**280,374**		143,911
Total Unrealized gain(loss)		-		(280,374)
Total Unit Investment Trust Fund		-		2,685,553
Others				
Cost		**799,999**		799,999
		799,999		799,999
	₱	**12,824,184**	₱	11,435,711

a. *Available for sale securities (AFSS)*

The Company has various investment in corporate shares traded through the Philippine Stock Exchange. During the year, shares acquired were quoted ranging from ₱15.30 to ₱78 in the stock exchange. The unrealized loss on fair value of AFS financial assets for 2025 amounted to ₱542,270 was recorded as Other comprehensive loss. This investment is being managed by a reputable broker accredited by the Philippine Stock Exchange. Realized gain on the sale of AFS recorded as other income in the statement of comprehensive income amounted to P36,091.

b. *Unit Investment Trust Fund*

The Company invested in Metropolitan Bank & Trust Company's unit investment trust fund, both in peso and dollar equity fund. The investment fund was fully redeemed in 2025. Realized loss on redemption recorded under other income amounted to P194,439.

c. *Other investments*

In 2012, the Company acquired 799,999 shares at ₱1 par value of Shot Glass Pictures, Inc. which was recognized as investment and was recorded at cost. No dividend was received during the year.

On the other hand, the investment in variable life insurance with Manulife China Bank Life Assurance Corporation was initially recorded at a cost of P4 million. As of December 31, 2025 this investment, comprising various policy numbers, are valued at P0.75. The unrealized loss on fair value of this financial asset for the year 2025 amounted to ₱232,402 recorded under Comprehensive income.

During the year, the Company redeemed its investment with Philequity resulting in a realized loss of P33,263 recorded as other income in the statements of comprehensive income.

No financial assets were pledged as collateral for liabilities or contingent liabilities.

10. INTANGIBLE ASSET

This pertains to the following:

		2025		2024
Software				
Cost	₱	**451,330**	₱	451,330
Additions		**-**		-
Total Cost		**451,330**		451,330
Accumulated Amortization				
Beginning		**451,330**		451,330
Amortization for the year		**-**		-
Total amortization		**451,330**		451,330
Net book value	₱	**-**	₱	-

As at reporting year, the intangible asset is fully amortized but still used by the Company.

11. PROPERTY AND EQUIPMENT

The composition of and movements in the property and equipment account are as follows:

2025										
		Leasehold Improvements		Furniture & Fixtures		Equipment & Machinery		Transportation Equipment		Total
Cost										
Balances at beginning of year	₱	556,281	₱	222,534	₱	1,567,483	₱	1,917,690	₱	4,263,988
Additions		-		-		95,910		-		95,910
Balances at end of year		556,281		222,534		1,663,393		1,917,690		4,359,897
Accumulated Depreciation										
Balances at beginning of year		556,281		222,534		1,524,953		1,917,690		4,221,458
Depreciation *(Notes 20 & 21)*						41,909		-		41,909
Balances at end of year		556,281		222,534		1,566,862		1,917,690		4,263,367
Carrying Values	₱	-	₱	-	₱	96,531	₱	-	₱	96,531

2024										
		Leasehold Improvements		Furniture & Fixtures		Equipment & Machinery		Transportation Equipment		Total
Cost										
Balances at beginning of year	₱	556,281	₱	222,534	₱	1,552,671	₱	1,917,690	₱	4,249,175
Additions		-		-		14,813		-		14,813
Balances at end of year		556,281		222,534		1,567,483		1,917,690		4,263,988
Accumulated Depreciation										
Balances at beginning of year		556,281		222,510		1,496,036		1,917,690		4,192,517
Depreciation *(Notes 20 & 21)*				24		28,918		-		28,941
Balances at end of year		556,281		222,534		1,524,953		1,917,690		4,221,458
Carrying Values	₱	-	₱	-	₱	42,530	₱	-	₱	42,530

The increase in equipment and machinery during the year pertains to the purchase of office computers and monitors amounting to P95,910. Depreciation for the year as recorded is P41,909.

As of the reporting year, fully depreciated furniture and fixtures and equipment previously purchased for P222,534 and P1,917,690, respectively are still used by the Company.

Depreciation expense is allocated as follows:

		2025		2024
Cost of Services *(Note 20)*	₱	**20,954**	₱	44,448
Administrative Expense *(Note 21)*		**20,954**		135,851
	₱	**41,909**	₱	180,299

12. PREMIUMS PAYABLE

This represents premiums and charges collected from the insured (policy holders) on behalf of insurance companies amounting to ₱4,725,801 in 2025 and ₱ 11,014,962 in 2024.

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The details of this account are as follows:

		2025		2024
Accounts payable *(Note 13.1)*	₱	**3,254,173**	₱	-
Accrued expenses *(Note 13.2)*		**1,388,049**		195,521
Security deposit *(Note 13.3)*		**73,835**		109,548
Other Payable		**114,863**		74,505
	₱	**4,830,921**	₱	379,574

13.1 Accounts Payable

The accounts payable amounting to P3,254,173 was the unpaid portion of the newly acquired land in Brgy. Zambal, Tagaytay City, while the increase in accrued expense is due to the accrual of management fee payable to IUI Pacific Ventures, Inc.

13.2 Accrued Expenses

		2025		2024
Accrued management fee	₱	**1,164,000**	₱	-
Accrued professional fee		**140,000**		140,000
Accrued salaries		**81,752**		55,521
Accrued office supplies		**2,298**		-
	₱	**1,388,049**	₱	195,521

13.3 Security Deposit

The deposit from tenant is used as a collateral to ensure that the tenants fulfills the terms of their lease. This shall be refunded to the tenant, without interest, within 60 days after the termination of the lease less whatever account tenants might have in favor of the company *(see Note 3.15)*

14. OTHER CURRENT NON-FINANCIAL LIABILITIES

The details of this account are shown below:

		2025		2024
Withholding taxes payable	₱	**191,114**	₱	(7,575)
VAT payable *(Note 26a)*		**61,361**		129,637
SSS/PHIC/HDMF Premium payable		**51,448**		33,999
SSS and HDMF Loans payable		**7,162**		7,052
Due to TAP		-		14,000
	₱	**311,085**	₱	177,113

VAT payable account represents the 12% valued added tax computed on the revenue accrued during the year.

Withholding taxes payable represents taxes withheld from the salaries of employees which will be remitted to the BIR.

SSS/PHIC/HDMF premium payable represents premiums/contributions withheld from the salaries of officers and staff representing employees' contributions including employer's share and loan payments to the said agencies.