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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of AIG Philippines Insurance, Inc. 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 to 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 or members.

Isla Lipana & Co., PwC (PricewaterhouseCoopers) member firm, the independent auditor 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 or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



GARY WONG
Chairman of the Board
President and Chief Executive Officer



SHEZIE R. BAYDO
Head of Finance

Signed this 24TH day of April 2025



Independent Auditor's Report

To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
30th Floor AIA Tower
8767 Paseo de Roxas
Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AIG Philippines Insurance, Inc. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of financial position as at December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditor's Report
To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
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Independence

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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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.



Independent Auditor's Report
To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
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As part of an audit in accordance with PSA, 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.



Independent Auditor's Report
To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
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Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 28 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Imelda Dela Vega-Mangundaya
Partner

CPA Cert. No. 0090670

PTR No. 0024586, issued on January 3, 2025, Makati City

TIN 152-015-124

BIR A.N. 08-000745-047-2021, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2025




Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
30th Floor AIA Tower
8767 Paseo de Roxas
Makati City

We have audited the financial statements of AIG Philippines Insurance, Inc. (the "Company") for the year ended December 31, 2024, on which we have rendered the attached report dated April 15, 2025.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, as at December 31, 2024, the said Company has one (1) shareholder owning one hundred (100) or more shares.

Isla Lipana & Co.


Imelda Dela Vega-Mangundaya
Partner
CPA Cert. No. 0090670
PTR No. 0024586, issued on January 3, 2025, Makati City
TIN 152-015-124
BIR A.N. 08-000745-047-2021, issued on October 30, 2024; effective until October 29, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2025

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Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
AIG Philippines Insurance, Inc.
30th Floor AIA Tower
8767 Paseo de Roxas
Makati City

We have audited the financial statements of AIG Philippines Insurance, Inc. as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 15, 2025. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration, as an additional component required by Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.


Imelda Dela Vega-Mangundaya
Partner
CPA Cert. No. 0090670
PTR No. 0024586, issued on January 3, 2025, Makati City
TIN 152-015-124
BIR A.N. 08-000745-047-2021, issued on October 30, 2024; effective until October 29, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2025

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AIG Philippines Insurance, Inc.

Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Gross earned premiums on insurance contracts	7	2,509,972,158	2,360,642,202
Reinsurers' share of gross earned premiums on insurance contracts	7	2,333,554,958	2,192,924,846
NET EARNED INSURANCE PREMIUMS		176,417,200	167,717,356
Commission income	15	562,032,599	530,750,607
Net investment income	8	181,134,706	171,508,615
Other income, net	9	56,631,259	51,026,945
OTHER INCOME		799,798,564	753,286,167
TOTAL INCOME		976,215,764	921,003,523
Gross insurance claims paid	10	216,769,653	398,200,027
Reinsurers' share of gross insurance claims paid	10	(181,866,786)	(316,664,041)
Gross change in claims liabilities	10	(315,150,689)	(320,449,978)
Reinsurers' share of gross change in claims liabilities	10	231,992,534	315,860,644
NET INSURANCE BENEFITS AND CLAIMS		(48,255,288)	76,946,652
Operating expenses	11	373,469,255	360,416,699
Commission expense	15	175,317,114	154,286,710
Interest expense on funds held for reinsurers	27	59,188,471	59,187,621
Foreign exchange loss (gain), net	5	18,942,187	(6,888,895)
Provision for (reversal of) impairment loss	18	6,539,868	(1,258,076)
Investment expenses		1,529,533	1,370,950
OTHER EXPENSES		634,986,428	567,115,009
TOTAL INSURANCE CLAIMS AND OTHER EXPENSES		586,731,140	644,061,661
INCOME BEFORE INCOME TAX		389,484,624	276,941,862
PROVISION FOR INCOME TAX	12	96,447,724	60,259,498
NET INCOME FOR THE YEAR		293,036,900	216,682,364

(forward)

AIG Philippines Insurance, Inc.

Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

(forwarded)

	Notes	2024	2023
NET INCOME FOR THE YEAR		293,036,900	216,682,364
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss			
Change in fair value reserve on available-for-sale financial assets	16	50,021,315	81,284,510
Deferred income tax effect	20	(5,284,861)	(9,211,244)
		44,736,454	72,073,266
Item that will not be reclassified subsequently to profit or loss			
Remeasurement loss on retirement benefit obligation	21	(4,703,384)	(5,195,732)
Deferred income tax effect	20	1,175,846	1,298,933
		(3,527,538)	(3,896,799)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		41,208,916	68,176,467
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		334,245,816	284,858,831

(The notes on pages 1 to 55 are integral part of these financial statements)

AIG Philippines Insurance, Inc.

Statements of Financial Position
December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
ASSETS			
Deferred income tax assets, net	12	63,413,298	72,790,469
Property and equipment, net	13	31,307,339	49,822,399
Other assets		58,139,616	6,800,206
Insurance contracts			
Reinsurance assets	14	2,078,509,845	2,289,196,076
Deferred acquisition costs	15	66,364,954	64,315,024
Accrued income	17	41,295,582	31,271,883
Available-for-sale financial assets	16	2,769,664,240	2,614,306,015
Loans and receivables	17	103,478,240	21,111,080
Insurance receivables, net	18	564,554,930	540,094,895
Cash and cash equivalents	19	1,628,159,577	1,480,032,969
TOTAL ASSETS		7,404,887,621	7,169,741,016
EQUITY			
Share capital	20	935,852,400	935,852,400
Share premium		60,204,136	60,204,136
Accumulated other comprehensive income	20	181,522,196	140,313,280
Retained earnings	20	1,208,613,054	1,215,576,154
TOTAL EQUITY		2,386,191,786	2,351,945,970
LIABILITIES			
Retirement benefit obligation	21	7,290,092	9,739,606
Deferred reinsurance commissions	15	176,064,042	180,024,976
Insurance contract liabilities	22	2,396,766,780	2,691,162,712
Insurance payables	24	1,967,487,054	1,542,006,821
Income tax payable		-	3,178,373
Trade and other liabilities	25	471,087,867	391,682,558
TOTAL LIABILITIES		5,018,695,835	4,817,795,046
TOTAL EQUITY AND LIABILITIES		7,404,887,621	7,169,741,016

(The notes on pages 1 to 55 are integral part of these financial statements)

AIG Philippines Insurance, Inc.
Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share capital (Note 20)	Share premium	Accumulated other comprehensive income (Note 20)	Retained earnings (Note 20)	Total
As at January 1, 2023	935,852,400	60,204,136	72,136,813	1,498,893,790	2,567,087,139
Other comprehensive income					
Net income for the year	-	-	-	216,682,364	216,682,364
Other comprehensive loss for the year	-	-	68,176,467	-	68,176,467
Total comprehensive income for the year	-	-	68,176,467	216,682,364	284,858,831
Transaction with owners					
Dividend declared during the year	-	-	-	(500,000,000)	(500,000,000)
As at December 31, 2023	935,852,400	60,204,136	140,313,280	1,215,576,154	2,351,945,970
Other comprehensive income					
Net income for the year	-	-	-	293,036,900	293,036,900
Other comprehensive income for the year	-	-	41,208,916	-	41,208,916
Total comprehensive income for the year	-	-	41,208,916	293,036,900	334,245,816
Transaction with owners					
Dividend declared during the year	-	-	-	(300,000,000)	(300,000,000)
As at December 31, 2024	935,852,400	60,204,136	181,522,196	1,208,613,054	2,386,191,786

(The notes on pages 1 to 55 are integral part of these financial statements)

AIG Philippines Insurance, Inc.

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		389,484,624	276,941,862
Adjustments for:			
Amortization of bond (discount) premium	8,16	(16,010,637)	10,921,436
Interest income	8	(172,310,465)	(182,441,493)
Interest expense	26,27	60,189,792	60,873,581
Depreciation and amortization	11,13	16,316,223	16,528,038
Amortization of:	15		
Deferred acquisition costs		169,442,352	147,662,625
Deferred reinsurance commission		(562,032,599)	(530,750,607)
Loss on sale of available-for-sale financial assets	8	5,500,298	6,200,113
(Decrease) increase in incurred but not reported (IBNR), net	22	(25,789,019)	17,414,311
Provision for (reversal of) impairment loss	18	6,539,868	(1,258,076)
Retirement benefit expense	21	6,980,524	4,982,700
Provision for other post-employment benefits	21	477,462	271,796
Provision for fines and penalties	11	13,055,631	15,465,600
Dividend income	8	(6,132,463)	(6,188,671)
Operating income (loss) before changes in operating assets and liabilities		(114,288,409)	(163,376,785)
Changes in operating assets and liabilities			
(Increase) decrease in:			
Other assets		(51,339,411)	20,651,337
Reinsurance assets		158,114,600	561,516,184
Deferred acquisition costs		(171,492,282)	(155,340,559)
Loans and receivables		(82,428,198)	66,199,434
Insurance receivables, net		(30,999,903)	(55,270,416)
Increase (decrease) in:			
Deferred reinsurance commissions		558,071,665	542,138,140
Insurance contract liabilities		(216,035,215)	(572,785,844)
Insurance payables		425,480,233	135,210,709
Trade and other liabilities		73,393,767	(74,719,394)
Cash from operations		548,476,847	304,222,806
Interest income received on cash and cash equivalents		57,000,038	102,868,758
Interest paid		(60,189,792)	(60,873,581)
Employee benefit payments	21	(261,470)	(68,952)
Contributions to the plan	21	(10,000,000)	(4,000,000)
Income taxes paid		(94,357,940)	(63,361,645)
Net cash from operating activities		440,667,683	278,787,386

(forward)

AIG Philippines Insurance, Inc.

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

<i>(continued)</i>	Notes	2024	2023
Net cash from operating activities		440,667,683	278,787,386
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale of investments in equity securities	16	64,896,123	19,393,724
Maturities and sale of government securities	16	603,000,000	579,000,000
Collections of mortgage and guaranteed loans		61,037	56,923
Purchases of:			
Available-for-sale financial assets	16	(762,722,694)	(955,392,484)
Property and equipment	13		(1,498,064)
Interest income received		105,116,007	70,526,392
Dividends received		6,303,120	5,992,985
Net cash from (used in) from investing activities		16,653,593	(281,920,524)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	20	(300,000,000)	(500,000,000)
Payment of lease liabilities	25	(9,194,668)	(7,587,711)
Net cash flow used in financing activities		(309,194,668)	(507,587,711)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		148,126,608	(510,720,849)
CASH AND CASH EQUIVALENTS			
At January 1		1,480,032,969	1,990,753,818
At December 31	19	1,628,159,577	1,480,032,969

(The notes on pages 1 to 55 are integral part of these financial statements)

AIG Philippines Insurance, Inc.

Notes to financial statements

As at and for the years ended December 31, 2024 and 2023

(All amounts are shown in Philippine Peso, unless otherwise stated)

1. General information

American International Group Philippines Insurance, Inc. (the "Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission ("SEC") on February 23, 1961 to engage in the business of non-life insurance, indemnifying others against loss, damage or liability arising from unknown or contingent events. Non-life insurance includes lines such as health, accident, fire and allied lines, motor vehicles, casualty, surety, marine cargo, comprehensive liability insurance and allied risks, and/or such other insurance coverage allied with and incident to aforementioned lines. The Company's corporate life was extended for another 50 years as approved by the SEC on February 23, 2011.

The Company is a wholly-owned subsidiary of AIG Asia Pacific Insurance Pte. Ltd. (the "Parent Company"), a company incorporated and domiciled in Singapore. The Company's ultimate parent is the American International Group, Inc. ("AIG") and is incorporated and domiciled in the United States of America.

The registered office address of the Company, which is also its principal place of business, is 30th Floor, AIA Tower, 8767 Paseo de Roxas, Makati City.

The Company's Board of Directors ("BOD"), met for 13 times during 2024 (2023 - 10 times). The directors, including certain members of senior management concurrently serving as directors, only hold qualifying shares in the Company. None of these shares have been traded during the year. The BOD also appoints certain members to constitute the Audit Committee which met four (4) times in 2024 and 2023.

The Company has no operating subsidiary, joint venture and special purpose vehicles in 2024 and 2023.

Authorization of the financial statements

The accompanying financial statements of the Company were authorized for issue by the BOD on April 10, 2025. There are no material events that occurred from April 11, 2025 to April 15, 2025.

2. Changes in accounting policy and disclosures

(a) *New standards, amendments and interpretations to existing standards effective January 1, 2024*

The following amendments to existing standards were relevant and adopted by the Company for the first time from January 1, 2024:

- Amendments to PAS 1, 'Presentation of Financial Statements'

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date.

However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current. The amendments to PAS 1 are not expected to have a material impact on the financial statements of the Company.

There are no new standards, other interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or expected to have a material impact on the Company's financial statements.

(b) New standards, amendments and interpretations to existing standards issued but not yet effective as at December 31, 2024

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. None of these are expected to be relevant and have a significant effect on the financial reporting of the Company, while the most relevant ones are set out as follows:

- Amendments to PAS 21, '*Lack of Exchangeability*'

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process). Refer to Filling the gap in currency accounting: new IFRS requirements for lack of exchangeability for further details.

- Amendments to PFRS 9 and PFRS 7, '*Classification and Measurement of Financial Instruments*'

On May 25, 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted subject to any endorsement process.

- PFRS 18, '*Presentation and Disclosure in Financial Statements*'

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

The Company is still evaluating the impact of the new standard.

- PFRS 19, '*Subsidiaries without Public Accountability: Disclosures*'

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The new standards and amendments are effective for annual reporting periods beginning on or after January 1, 2025, and must be applied retrospectively. The Company does not expect the amendment to have a significant impact to the Company's separate financial statements, except for PFRS 18.

Insurance contracts

In May 2017, the IASB issued IFRS 17 'Insurance Contracts' (IFRS 17), which establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 'Insurance Contracts'. In addition, the IASB issued further amendments to IFRS 17 in June 2020 and December 2021. The December 2021 amendment permits the Company to present comparative information about financial assets as if the classification and measurement requirements of IFRS 9 'Financial Instruments' (IFRS 9) had been applied to that financial asset in the comparative period (the "Classification overlay").

IFRS 17 is effective for annual reporting periods commencing on or after January 1, 2023. The adoption of IFRS 17 will result in significant changes to the accounting for insurance contracts issued and reinsurance contracts held by the Company.

In the Philippines, in view of the impact of the COVID-19 pandemic, the Insurance Commission issued Circular Letter 2020-62 dated May 18, 2020 to further defer the implementation of PFRS 17 for life and non-life insurance industries to January 1, 2025. On March 10, 2025, the IC issued Circular Letter 2024-04 further deferring the effectivity of PFRS 17 implementation to January 1, 2027.

The Group's IFRS 17 implementation project has made significant progress. Accounting policies have been developed which together with associated application guidance has been used to assess the insurance contracts issued and reinsurance contracts held by the Group. As at the date of the publication of the financial statements, the Group has already transitioned to IFRS 17 effective January 1, 2023 and has estimated impact to retained earnings and total equity.

Locally, the Company has an ongoing in-depth analysis of its systems, end-to-end methodologies and processes to confirm that these are capable of producing data at the appropriate level of granularity to ensure compliance with the requirements of IFRS 17. These new systems developed for other affiliates will be reviewed to address any local regulatory requirements that might not yet be covered by the existing system and methodologies and processes will be subject to rigorous review and testing in 2025 in anticipation of adopting PFRS 17. The Company anticipates that the majority of its insurance operations will be eligible to apply the premium allocation approach. The Company notes that the impact to the financial statements resulting from the adoption of this standard will significantly be influenced by interest rate sensitivity and overall macroeconomic environment that poses volatility. Management deemed it impracticable to reasonably determine and quantify the financial impact of its PFRS 17 adoption in light of remaining implementation and transition phases that are in progress as at reporting date.

Financial Instruments

- *PFRS 9, 'Financial instruments'*. PFRS 9 deals with the classification, measurement and impairment of financial instruments, as well as hedge accounting.

Classification and measurement – financial assets are classified into one of three measurement categories: fair value through profit or loss; fair value through other comprehensive income; or amortized cost. The classification is determined with reference to the business model for managing and holding financial assets and the contractual cash flow characteristics of the financial instruments held. The classification requirements for financial liabilities remain largely unchanged from the existing requirements of PAS 39 with the exception of financial liabilities measured under the fair value option where changes in fair value arising from changes in the entity's own credit risk are excluded from recognition within income for the year.

Impairment – a new ‘expected credit loss’ impairment model is introduced for the measurement of impairment of financial assets classified as fair value through other comprehensive income or at amortized cost. This replaces the ‘incurred credit loss’ model under PAS 39.

Hedge accounting – a new hedge accounting model designed to more closely align with an entity’s risk management policies for the hedging of financial and non-financial risk exposures.

The Company expects that majority of its financial investments will be classified as measured at fair value through other comprehensive income. However, as the insurance contracts that these investments support will be subject to discounting – with the impact of changes in discount rates recognized in profit or loss, the Company expects to utilize the fair value option and classify such financial investments as measured at fair value through profit or loss to minimize or eliminate accounting differences arising. The determination and quantification of financial impact will be made in coordination with the Company’s implementation of PFRS 17.

- *Deferral of PFRS 9, Financial instruments*

The Company meets the eligibility requirements set out in ‘Applying PFRS 9, *Financial Instruments* with PFRS 4, *Insurance Contracts (Amendments to PFRS 4)*’; and has elected to defer the application of PFRS 9 until the Company adopts PFRS 17.

The Company’s activities were predominantly connected with insurance activities at December 31, 2015 (which is its annual reporting date immediately preceding April 1, 2016) at which date the percentage of the total carrying amount of the Company’s liabilities connected with insurance activities was more than 95%. This is greater than 90% of the total carrying amount of all its liabilities as at December 31, 2015.

The Company did not subsequently reassess its eligibility for the temporary exemption from PFRS 9 as there was no change in the Company’s activities for the period ending December 31, 2024 and 2023.

The following tables set out the fair value at December 31, 2024 and 2023 and the changes in fair values for the years then ended, of financial assets separately for the following groups:

- Financial assets that meet the SPPI criteria in PFRS 9, excluding those financial assets that are defined as ‘held-for-trading’ or that are managed and evaluated on a fair value basis; and
- All other financial assets, including those assets that do not meet the SPPI criteria in PFRS 9 and those financial assets that are defined as ‘held-for-trading’ or that are managed and evaluated on a fair value basis.

Financial assets that meet the SPPI criteria in PFRS 9 are those whose cash flows comprise solely payments of principal and interest (SPPI) on principal outstanding.

The fair value of financial instruments classified between those that meet and those that fail the SPPI criterion are described as follows:

	Financial assets that meet the SPPI criteria*		All other financial assets	
	Fair value	Fair value change during the reporting period	Fair value	Fair value change during the reporting period
December 31, 2024				
Security deposits	2,785,171	-	-	-
Accrued income	41,295,582	-	-	-
AFS financial assets	2,361,467,627	4,831,014	408,196,613	50,690,599
Loans and receivables				
Mortgage loans	898,795	-	-	-
Intercompany accounts receivable	44,091,253	-	-	-
Miscellaneous receivables	58,488,192	-	-	-
Cash and cash equivalents	1,628,159,577	-	-	-
	4,137,186,197	4,831,014	408,196,613	50,690,599
December 31, 2023				
Security deposits	2,850,394	-	-	-
Accrued income	31,271,883	-	-	-
AFS financial assets	2,195,321,850	37,642,134	418,984,165	43,642,376
Loans and receivables				
Mortgage loans	959,833	-	-	-
Intercompany accounts receivable	18,277,183	-	-	-
Miscellaneous receivables	1,924,064	-	-	-
Cash and cash equivalents	1,480,032,969	-	-	-
	3,730,638,176	37,642,134	418,984,165	43,642,376

*Excluding any financial assets that meet the definition of held for trading in PFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

The financial assets that meet the SPPI criteria are tagged as neither past due nor impaired and have a high credit rating.

(b) Other new and revised PFRSs

In addition to the above, the following are new revisions and amendments to existing standards that are not expected to have any material impact on the Company's results or financial position:

- Amendments to IFRS 16 'Leases' – Lease Liability in a Sale and Leaseback (issued in September 2022 and effective from January 1, 2024);
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current Liabilities with Covenants (issued in October 2022 and effective from January 1, 2024);
- Amendments to IAS 7 'Statement of cash Flows' and IFRS 7 'Financial Instruments – Disclosures' – Supplier Finance Arrangements (issued in May 2023 and effective from January 1, 2024); and
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange rates' – Lack of Exchangeability (issued in August 2023 and effective from January 1, 2025).

3. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippines Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale (“AFS”) financial assets and retirement plan assets. The preparation of financial statements in conformity with PFRS Accounting Standards require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The presentation of items in the statements of financial position has been shown in increasing order of liquidity. The presentation of items in the statements of comprehensive income has been shown to reflect all income and all expenses which is a relevant consideration to the user’s understanding of the Company’s financial statements.

3.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Philippine Peso, which is the Company’s functional and presentation currency.

3.3 Insurance contracts

3.3.1 Product classification

Insurance contracts are defined as those contracts under which the Company (the “insurer”) accepts significant insurance risk from another party (the “policyholder”) by agreeing to compensate the policyholder if a specified uncertain future event (the “insured event”) adversely affects the policyholder. As a general guideline, the Company defines insurance risk as significant if the insured event could cause an insurer to pay significant additional benefits even if the insured event is extremely unlikely to happen.

Insurance contract can also transfer financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variable.

Investment contracts mainly transfer financial risk but can also transfer insignificant insurance risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can however, be reclassified as insurance contracts after inception if the insurance risk becomes significant.

3.3.2 *Revenue recognition*

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

Premium revenue

Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 365th method. The portion of the premiums pertaining to the premiums written that relate to the unexpired periods of the policies at reporting date is accounted for as Provision for unearned premiums and presented as part of Insurance contract liabilities in the liabilities section of the statement of financial position. The related reinsurance premiums that pertain to the unexpired periods at reporting date are accounted for as Deferred reinsurance premiums as part of "Reinsurance assets" presented in the assets section of the statement of financial position. The net changes in these accounts between reporting dates are included in the determination of net insurance revenue.

Commission income

Reinsurance commissions are recognized as revenue over the period of the contracts using the 365th method. The portion of the commissions that relates to the unexpired periods of the policies at the reporting date is accounted for as "Deferred reinsurance commissions" in the liabilities section of the statement of financial position.

Other income

Fee income and other income is generated from services from a single performance obligation provided at a fixed price over time, such as administrative services to a related entity, or when a specific transaction is delivered at a point in time such as engineering and surveying services as separate service from any insurance. The revenue is based on the depiction of transfer of the service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Revenue is determined at the gross amount of consideration receivable for the services provided.

Fee income is generally earned from short-term contracts with payment terms that do not include a significant financing component.

There are no warranties and other similar obligation and refunds agreed with counterparties.

3.3.3 *Insurance claims*

Insurance claims consist of claims paid to policyholders, which include changes in the valuation of insurance contract liabilities, except for changes in the provision for unearned premium which are recorded in Gross earned premiums on insurance contracts. Insurance claims are recorded on the basis of notifications received.

3.3.4 *Deferred acquisition costs ("DAC")*

Commission and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and/or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that these recoverable out of future revenue margins. All other acquisition costs are recognized as an expense when incurred.

Subsequent to initial recognition, these costs are amortized on a straight-line basis over the life of the contract. Amortization is reported as part of Commission expense in the statement of comprehensive income. The unamortized acquisition costs are shown as "Deferred acquisition costs" in the assets section of the statement of financial position.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. The carrying value is written down to the recoverable amount and the impairment loss is charged to profit or loss. The deferred acquisition cost is also considered in the liability adequacy test for each reporting period.

3.3.5 *Insurance contract liabilities*

Insurance contract liabilities are recognized when the contracts are entered into and the premiums are charged. Insurance contract liabilities are divided into expired and unexpired portions.

The liability is derecognized when the contract has expired, is discharged or is cancelled.

Claims liabilities (Expired portion)

The expired portion, which is presented as provision for claims, is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs, margin for adverse deviation and reduction for the expected value of salvage and other recoveries. The Company does not discount liabilities for unpaid claims.

Provision is made at the reporting date for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not yet reported ("IBNR") to the Company. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of which cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a margin for adverse deviation. No provision for catastrophic reserves is recognized unless the catastrophe is sustained at reporting period.

Although the Company takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures, given the uncertainty in establishing claims provisions, it is likely that the final outcome will be different from the original liability established.

The IBNR reserve is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available.

It includes an allowance for any consistent under or over-estimation in the case reserves. The IBNR review is conducted on a class of business basis. The in-house actuarial team conducts the assessment which is subject to an internal peer review process. Standard actuarial methodologies are used to evaluate and determine the IBNR reserves for all areas of the business including loss development methods and the analysis of individual cases in more volatile lines as appropriate. The Company's actuaries determine and select the most appropriate actuarial method to adopt for each business class. They also determine the appropriate segmentation of data from which the adequacy of the reserve can be established.

A point estimate is determined from these detailed reviews and the sum of these point estimates for each class of business provides the overall actuarial point estimate for the IBNR reserve for the Company.

The ultimate process by which the actual carried reserves are determined takes into account both the actuarial point estimate and numerous other internal and external factors such as claims initiatives and economic conditions in the Philippines. To ensure local regulatory compliance, the Company engaged an external actuary to review the analysis and certify the reasonableness of the reserves.

The majority of the IBNR reserve relates to the longer-tail classes of business and the actuaries conduct sensitivity analysis so that senior management understand the key areas of uncertainties which could potentially lead to the final actual outcome being materially different. The Company's actuaries determine their best estimate of the undiscounted IBNR reserve and report to the Reserves Committee.

The general insurance loss reserves can generally be categorized into two distinct groups. One group is short-tail classes of business consisting mainly of property, consumer lines, marine and energy. The other group is long-tail commercial lines of business which includes excess and primary liability, Directors and Officers (D&O), professional liability, employers' liability, general liability and related classes.

Short-tail classes do not have a significant delay from the date of accident to date of report to the Company and then settled by the Company. The estimates for these classes are more reliant on the case estimate on individual claims and utilizes loss development methodologies in the projection of the future development of these case estimates.

Long-tail classes generally relate to claims where liability has to be established or where there is an element of bodily injury. For these classes it may take some time from the date of accident for the claim to emerge and for claims to be settled from notification date due to the time taken to establish liability. Estimation of ultimate net indemnity losses and loss expenses for long-tail lines of business is a complex process and depends on a number of factors, including the class and volume of business involved as well as premium rate changes, changes in exposure and claim inflation. The actuarial methods used by the Company for most long-tail commercial lines include loss development methods and expected loss ratio methods, including the Bornhuetter-Ferguson (BF) method. Exceptional large claims or events, to the extent that these distort the historical development, are removed from the analysis and considered separately.

Premium liabilities (Unexpired portion)

The Company's premium liabilities are valued equal to the provision for unearned premiums plus the difference between the unexpired risk reserve and the provision for unearned premiums, net of DAC. The Company's outstanding premium liabilities is reported under Insurance contract liabilities.

Provision for unearned premiums

The proportion of written premiums, gross of commissions to intermediaries, attributable to subsequent periods or to unexpired risks, is deferred as provision for unearned premiums using the 365th method. The change in the provision for unearned premiums is taken to profit or loss in the order that revenue is recognized over the period of risk.

Further provisions are made to cover any deficiency to the extent that the unexpired risk reserve exceeds the provision for unearned premiums (net of DAC) which is consistent with the requirements of the IC. The unexpired risk reserve represents the premiums to match future claims and expenses in the unexpired coverage period of in-force contracts. The future claims and expenses are adjusted for potential changes or uncertainties.

Liability adequacy test

At each reporting date, liability adequacy tests are performed, to ensure the adequacy of insurance contract liabilities, net, of related DAC assets. In performing the test, current best estimates of future cash flows and claims handling and policy administration expenses are used. Changes in expected claims that have occurred, but which have not been settled, are reflected by adjusting the liability for claims and future benefits. Any inadequacy is immediately charged to profit or loss by establishing an unexpired risk provision for losses arising from the liability adequacy tests. The liability adequacy test is addressed by the current premium valuation method used by the Company for its premium liabilities.

3.3.6 Reinsurance assets

The Company cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and in accordance with the reinsurance contract.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurance can be measured reliably. The impairment loss is charged to profit or loss.

Ceded reinsurance arrangements do not relieve the Company from its obligation to policyholders.

The Company also assumes reinsurance risk in the normal course of business for insurance contracts. Premiums and claims on assumed reinsurance are recognized as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

3.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. Property and equipment includes right-of-use asset recognized under PFRS 16 which is included in office premises.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

	Years
EDP equipment	5
Furniture and fixtures	5
Transportation equipment	5

Leasehold improvements and office premises are amortized over the estimated useful life of the assets or the term of the lease, whichever is shorter.

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

3.5 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that its non-financial assets, pertaining to property and equipment, may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use 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 groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs.

Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) 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 assessments of the time value and the risks specific to the asset (or cash generating unit).

For non-financial assets, 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 such indication exists, the recoverable amount is estimated. 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 asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount less any residual value, on a systematic basis over its remaining life.

3.6 Financial instruments

3.6.1 Classification

The classification of the financial assets is as follows: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets, held-to-maturity ("HTM") investments, and loans and receivables. Financial liabilities are either designated at FVTPL or classified as other financial liabilities. The classification depends on the purpose for which the assets and liabilities were acquired or incurred and whether they are quoted in an active market. Management determines the classification at initial recognition.

Financial assets or financial liabilities at FVTPL

In 2024 and 2023, the Company has not classified any of its financial assets or liabilities at FVTPL.

AFS financial assets

The Company's AFS financial assets are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

In 2024 and 2023, the Company's AFS financial assets consist of government debt securities, listed equity securities and proprietary shares.

HTM investments

HTM investment are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which management has the positive intention and ability to hold to maturity.

In 2024 and 2023, the Company has not classified any of its financial assets as HTM investments.

Loans and receivables

The Company's loans and receivables are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as AFS or FVTPL. This accounting policy relates to the statement of financial position captions: (a) "Cash and cash equivalents" (b) "Insurance receivables, net", (c) "Loans and receivables", (d) "Accrued income" and I Security deposits within Other assets.

Other financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in an entity having an obligation either to deliver cash or another financial assets to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial assets for a fixed number of own equity shares.

This accounting policy applies primarily to the Company's insurance payables, trade and other liabilities that meet the above definition (other than liabilities covered by other accounting standards, such as retirement benefit obligation and income tax payable) and claims reported and IBNR.

3.6.2 Recognition and measurement

Initial recognition

Financial assets and liabilities not carried at FVTPL are initially recognized at fair value plus transaction costs.

Subsequent measurement

AFS financial instruments

After initial measurement, AFS investments are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency denominated AFS debt securities, are reported in profit or loss. Interest earned on holding AFS investments is reported as interest income under investment income using the effective interest rate. Dividends earned on holding AFS investments are recognized in the statement of comprehensive income as investment income when the right of payment has been established.

The unrealized gains or losses arising from the fair valuation of AFS financial assets are reported as part of "Accumulated other comprehensive income" in the equity section of the statement of financial position. The losses arising from impairment of such investments are recognized as "Provision for impairment loss" in the statement of comprehensive income.

When the security is disposed of, the cumulative gain or loss previously recognized in equity is recognized as gain or loss on sale of AFS financial assets in the statement of comprehensive income.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, these are carried at cost.

Loans and receivables

After initial measurement, the loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in investment income in the statement of comprehensive income. The losses arising from impairment of such loans and receivables are recognized as "Provision for impairment loss" in the statement of comprehensive income.

Other financial liabilities

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in profit or loss.

Day 1 profit

Where the transaction price in a non-active market is different from the value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" profit) in profit or loss unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" profit amount.

3.6.3 Insurance receivables

Insurance receivables are recognized when due and measured on initial recognition at the fair value of the amount of the receivable. Subsequent to initial recognition, insurance receivables are measured at amortized cost using the effective interest method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in profit or loss.

Insurance receivables are derecognized following the derecognition criteria for financial assets.

3.6.4 Cash and cash equivalents

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

3.7 Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a 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 has occurred after the initial recognition of the asset (an "incurred loss" event) and that loss event (or events) has an impact in the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. Time value is generally not considered when the effect of discounting is not material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from the foreclosures less costs for obtaining and selling the collateral, whether or not foreclosure is probable. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognized in profit or loss. Interest income continues to be accrued in the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as type of borrower, collateral type, past due status and term.

AFS financial assets

In the case of equity investments classified as AFS, impairment indicators would include a significant or prolonged decline in the fair value of the investments below its cost. Generally, the Company treats 'significant' as 20% or more and 'prolonged' as greater than 12 months. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss of that financial asset previously recognized in the statement of comprehensive income – is removed from equity and recognized in profit or loss. Impairment losses on equity investment are not reversed through profit or loss. Increases in fair value are recognized directly in equity.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of interest income in the statement of comprehensive income.

If, in subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss.

3.8 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Interest expense is recognized in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

a) *Measurement of lease liabilities*

Lease liabilities include the net present value of lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. Interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

b) *Measurement of right-of-use assets*

Right-of-use assets are measured at cost. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

c) *Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

d) *Short-term leases and leases of low-value assets*

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment in 2024 and 2023.

3.9 Income tax

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax.

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, carry-forward of unused tax losses (net operating loss carryover or "NOLCO") and unused tax credits (excess minimum corporate income tax or "MCIT"). Deferred income tax is determined using the tax rate (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences, NOLCO and MCIT can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

The Company reassesses at each reporting date the need to recognize previously unrecognized deferred income tax assets.

Deferred income tax expense or credit included in "Provision for income tax" is recognized for the changes during the year in the deferred income tax assets and liabilities.

3.10 Share capital; Share premium

Common shares are classified as share capital.

Share premium includes any premiums on consideration received in excess of par value on the issuance of share capital.

3.11 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's BOD.

The amended Insurance Code provides that no domestic insurance corporation shall declare or distribute any dividend on its outstanding shares unless it has met the minimum paid-up capital and net worth requirements.

3.12 Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party, or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

4. Critical accounting estimates, assumptions and judgments

The preparation of financial statements in compliance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and contingent liabilities. Future effects of any change in estimates and judgments 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.

4.5 Critical accounting estimates and assumptions

(a) Claims liability arising from insurance contracts (Notes 22 and 23)

The process of establishing liability estimates is subject to considerable variability as it requires the use of informed estimates and judgments. These estimates and judgments are based on numerous factors, and may be revised as additional experience becomes available or as regulations change. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is available. Classes of business which have a longer reporting tail and where the IBNR proportion of the total reserve is therefore high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty in estimating these liabilities. For the short-tailed classes, claims are typically reported soon after the claim event, and tend to display less variation. In calculating the required levels of provisions, the Company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience.

In arriving at booked claims provisions, management also makes allowance for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in patterns of claim incidence, reporting, processing, finalization and payment;
- changes in the legal environment;
- the impact of inflation (both economic/wage and superimposed);
- changes in the mix of business;
- the impact of large losses;
- movements in industry benchmarks;
- medical and technological developments; and
- changes in policyholder behavior.

The methods used to analyze past claim experience and to project future claim experience are largely determined by the available data and the nature of the portfolio. The projections given by the different methodologies assist in setting the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

Outstanding claims are calculated gross of reinsurance. A separate estimate is made of the amounts recoverable from reinsurers and third parties under insurance contracts based on the gross outstanding claims provision. Future cash flows are not discounted for time value of money.

The carrying value of claims liabilities, gross of reinsurance, as at December 31, 2024 amounts to P1,716.72 million (2023 - P2,028.18 million) (Note 22).

The sensitivity analysis for claims liability is detailed in Note 23.

(b) Reinsurance assets (Note 22)

The Company's estimate of reinsurance recoveries is based on the relevant reinsurance program in place for the calendar year in which the related losses have been incurred. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim reserves associated with the reinsured policy. An estimate for potential reinsurance failure and possible disputes is provided to reduce the carrying amount of reinsurance assets to their net recoverable amount.

The carrying amount of reinsurance assets as at December 31, 2024 amounts to P1,488.06 million (2023 – P1,717.14 million).

The sensitivity analysis for reinsurance assets is detailed in Note 23.

(c) Unexpired risk reserves (Note 22)

The Company calculates for the URR at 75th level percentile of sufficiency using the best estimate of future claims and expenses for all classes of business, including margin for adverse deviation to address uncertainty in the estimate of unexpired risks. In order to arrive at the URR, the provision for unearned premium for each class of business is multiplied by the expected loss ratio, adjusted for future expenses and margin for adverse deviation.

The expected future claims include all claims which might occur during the unexpired period including: claims which are reported after the end of the unexpired exposure period, but have occurred within the unexpired exposure period; and claims which are reopened at any date, but have occurred within the unexpired exposure period. The expected future expenses include estimates of claims expenses and general policy maintenance expenses based on actual historical experience. The claims expense ratio is being applied to the gross unexpired risk reserves while the policy maintenance expense ratio is applied on the provision for unearned premiums.

The process of establishing liability estimates is subject to considerable variability as it requires the use of informed estimates and judgments. These estimates and judgments are based on numerous factors, and may be revised as additional experience becomes available or as regulations change. The Company takes all reasonable steps to ensure that it has appropriate information regarding its unexpired risk exposures.

As at December 31, 2024 and 2023, the Company's URR did not exceed its provision for unearned premium, net of DAC.

(d) Retirement and other employee benefits (Note 21)

The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate and salary increase rate and any changes to assumptions will impact the carrying amount of retirement obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions.

Additional information, including the related sensitivity analysis, is disclosed in Note 21.

(e) Impairment of financial assets (Notes 16 and 17)

The Company treats AFS equity investments as impaired where there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Company treats 'significant' generally as 20% or more and 'prolonged' as greater than 12 months. In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities. Impairment may be appropriate also when there is evidence of deterioration in the financial health of the investee, the industry and sector performance, changes in technology and operational and financing cash flows.

The Company reviews its insurance receivables and loans and receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgment by management is required in determining the amount and timing of future cash flows when determining the level of allowance required. The amount and timing of recorded expenses for any period would differ if the Company made a different judgment. An increase in allowance for impairment losses would increase recorded expenses and decrease net income.

The Company did not recognize impairment loss on AFS financial assets and loans and receivables during the financial year December 31, 2024 and 2023.

Insurance receivables, net of allowance for impairment as at December 31, 2024 amount to P564.55 million (2023 - P540.10 million).

4.2 Critical judgments

(f) Deferred income tax assets (Note 12)

The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces deferred income tax assets 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.

The Company's recognized deferred income tax assets as at December 31, 2024 amount to P255.87 million (2023 – P223.59 million).

5. Insurance and financial risks and capital management

Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of the Company's performance objectives, including failing to exploit opportunities. The Company recognizes the importance of having efficient and effective risk management systems in place.

The Company's local management team is assisted and supervised on a day-to-day basis by the management team of the ultimate parent company at the regional and corporate levels.

There are established divisional and functional reporting lines to the ultimate parent company across the profit centers and service departments. The risk management function of the Company is aligned with that of its ultimate parent company. A risk oversight committee, consisting of certain members of the Company's BOD, provides oversight on the risk management function of the Company. Most of the Company's policies on market (consisting of foreign currency risk, interest rate risk, and price risk), credit, liquidity, insurance, investment and operational risks are developed at the regional and corporate levels which are implemented by the ultimate parent company across its global operations, including the Philippine operations. The policies primarily encompass underwriting, reinsurance, claims, credit control, finance, system infrastructure and business continuity and recovery and serve as minimum guidance for the Company.

(a) Insurance risk

The risk under an insurance contract is the possibility of occurrence of an insured event and uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims will exceed the carrying amount of insurance liabilities. This could occur due to any of the following:

- Occurrence risk – the possibility that the number of insured events will differ from those expected.
- Severity risk – the possibility that the cost of the events will differ from those expected.
- Development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategies and guidelines. The policies and procedures are developed internally and mandated by the regional and corporate offices of its ultimate parent company.

The business of the Company comprises primarily of short-term non-life insurance contracts. For non-life insurance contracts, claims are often affected by accidents, natural disasters, calamities and the like.

These risks currently do not vary significantly in relation to the location of the risk insured by the Company while undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company has an objective to control and minimize insurance risk to reduce volatility of operating profits. The Company manages insurance risk through the following mechanisms:

- The use and maintenance of sophisticated management information systems that provide up-to-date, accurate and reliable data on risk exposure at any point in time.
- Guidelines are issued for concluding insurance contracts and assuming insurance risks.
- Proactive claims handling procedures are followed to investigate and adjust claims thereby preventing settlement of dubious or fraudulent claims.

- Reinsurance is used to limit the Company's exposure to large claims by placing risk with reinsurers providing high security.
- Diversification is accomplished by achieving sufficiently large population of risks to reduce the variability of the expected outcome. The diversification strategy seeks to ensure that underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

The Company principally underwrites the following types of general insurance contracts: commercial, liability, marine insurance, accident and health, and personal lines.

December 31, 2024	Note	Gross claims liabilities	Reinsurers' share of claims liabilities	Net claims liabilities
Commercial property Liability		690,510,641	618,642,362	71,868,279
Marine		653,815,373	563,717,425	90,097,948
Accident and health		370,778,695	304,689,542	66,089,153
		1,617,345	1,006,826	610,519
	22	1,716,722,054	1,488,056,155	228,665,899

December 31, 2023	Note	Gross claims liabilities	Reinsurers' share of claims liabilities	Net claims liabilities
Commercial property Liability		1,269,351,535	1,072,542,256	196,809,279
Marine		601,508,928	516,059,582	85,449,346
Accident and health		2,707,756	1,807,641	900,115
		154,617,196	126,727,144	27,890,052
	22	2,028,185,415	1,717,136,623	311,048,792

The Company maintains sufficient assets and adequate capital to support settlement of its claims liabilities.

(b) Financial risk

The Company is exposed to financial risk through its financial assets, financial liabilities and insurance contracts. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, liquidity risk and market risk.

(b.1) Credit risk

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

The Company manages the level of risk it accepts by putting in place policies on credit terms extended to its producers and cancellation of insurance contracts with unpaid premiums beyond the agreed credit terms; limiting the list of reinsurance providers to those that are highly rated by established rating agencies and recommended by the ultimate parent company; limiting banking exposures to levels determined by the Company, taking into account overall group exposure; and limiting investment transactions with Company accredited equity brokers ensuring all contracts are subjected to legal and financial review and reviewing regularly the status of reinsurance and financial service providers. When applicable, the Company enters into netting arrangements with counterparties to reduce credit exposures. Significant credit risk management expertise and resources are available at the regional and corporate offices of the ultimate parent company. The Company adopts policies and procedures developed internally and those mandated by the regional and corporate offices of its ultimate parent company.

The Company has put in place various monitoring and control measures depending on the types of financial assets for which the credit risk arises. For cash and cash equivalents, the Company monitors credit risk through the use of monthly liquidity report.

Also, a quarterly recertification of all bank accounts is being prepared. For receivables, the Company prepares aging reports for each creditor type (producer, reinsurer, ceding companies and employees) which management reviews on a monthly basis.

A management level receivable committee discusses monthly collection issues and major receivable balances and develops action plans to address identified issues. For receivables from foreign reinsurers, the Company reports its recoverable position to the corporate office on a monthly basis.

Specific action steps are taken as necessary to address receivables beyond the normal credit terms. For receivables from producers, amounts falling beyond the credit terms are referred to the underwriters for discussion with the brokers and agents for eventual cancellation of the policy. For premiums receivable from reinsurers, any breach in the premium payment warranty date is referred to the underwriters for discussion with the ceding company for eventual cancellation of the reinsurance cover. Any extension of premium payment warranty date requires the approval of the Company's President. For reinsurance recoveries, the corporate office provides support to recover amounts due from foreign reinsurers.

The following table provides information regarding the maximum credit risk exposure of the Company as at December 31:

	Notes	2024	2023
Security deposits		2,785,171	2,850,394
Reinsurance recoverable on unpaid losses	14	1,488,056,155	1,717,136,623
Accrued income	9	41,295,582	31,271,883
AFS financial assets	16		
Government debt securities		2,361,467,627	2,195,321,850
Loans and receivables	17		
Mortgage loans		898,795	959,833
Intercompany accounts receivable		44,091,253	18,227,183
Miscellaneous receivables		58,488,192	1,924,064
Insurance receivables	18		
Due from brokers		319,303,034	313,077,785
Due from ceding companies		166,096,888	153,564,983
Premiums receivable		84,517,276	71,258,916
Due from agents		2,005,599	3,021,212
Reinsurance recoverable on paid losses		2,698,055	2,698,053
Cash and cash equivalents	19	1,628,159,577	1,480,032,969
		6,199,863,204	5,991,345,748

Allowance for impairment on insurance receivables as at December 31, 2024 amounts to P10.07 million (2023 - P3.53 million) (Note 18).

The table below provides information regarding the credit risk exposure of the Company as at December 31 by classifying assets according to the Company's assessment of credit standing of the counterparties, historical dealings and experience with the counterparties, underlying collaterals, if any and other factors.

2024	Neither past due nor impaired			Past due	Impaired	Total
	High	Medium	Low			
Security deposits	2,785,171	-	-	-	-	2,785,171
Reinsurance recoverable on unpaid losses	1,488,056,155	-	-	-	-	1,488,056,155
Accrued income	41,295,582	-	-	-	-	41,295,582
AFS financial assets						
Government debt securities	2,361,467,627	-	-	-	-	2,361,467,627
Loans and receivables						
Mortgage loans	898,795	-	-	-	-	898,795
Intercompany accounts receivable	44,091,253	-	-	-	-	44,091,253
Miscellaneous receivables	58,488,192	-	-	-	-	58,488,192
Insurance receivables						
Due from brokers	-	44,490,699	-	269,756,474	5,055,863	319,303,036
Due from ceding companies	-	29,620,929	-	134,722,651	1,753,308	166,096,888
Premiums receivable	-	-	-	81,327,335	3,189,941	84,517,276
Due from agents	-	-	-	1,938,791	66,808	2,005,599
Reinsurance recoverable on paid losses	-	-	-	2,698,053	-	2,698,053
Cash and cash equivalents	1,628,159,577	-	-	-	-	1,628,159,577
	5,625,242,352	74,111,628	-	490,443,304	10,065,920	6,199,863,204
Allowance for impairment	-	-	-	-	-	(10,065,922)
						6,189,797,282

2023	Neither past due nor impaired			Past due	Impaired	Total
	High	Medium	Low			
Security deposits	2,850,394	-	-	-	-	2,850,394
Reinsurance recoverable on unpaid losses	1,717,136,623	-	-	-	-	1,717,136,623
Accrued income	31,271,883	-	-	-	-	31,271,883
AFS financial assets						
Government debt securities	2,195,321,850	-	-	-	-	2,195,321,850
Loans and receivables						
Mortgage loans	959,833	-	-	-	-	959,833
Intercompany accounts receivable	18,227,183	-	-	-	-	18,227,183
Miscellaneous receivables	1,924,064	-	-	-	-	1,924,064
Insurance receivables						
Due from brokers	-	115,068,280	-	197,965,880	43,625	313,077,785
Due from ceding companies	-	-	-	153,308,749	256,234	153,564,983
Premiums receivable	-	-	-	70,331,011	927,905	71,258,916
Due from agents	-	157,846	-	565,076	2,298,290	3,021,212
Reinsurance recoverable on paid losses	-	-	-	2,698,053	-	2,698,053
Cash and cash equivalents	1,480,032,969	-	-	-	-	1,480,032,969
	5,447,724,799	115,226,126	-	424,868,769	3,526,054	5,991,345,748
Allowance for impairment	-	-	-	-	-	(3,526,054)
						5,987,819,694

A rating of "high" denotes that the Company's assessment of the probability of failure on the part of the counterparties to fulfill its obligation is about 5% or less, while a "medium" rating denotes a probability of more than 5% but less than 20% and a "low" rating denotes a probability of more than 20%.

The table below shows the analysis of age of financial assets that are past due but not impaired:

2024	< 90 days	91 to 180 days	181 to 365 days	Total
Insurance receivables				
Due from brokers	106,732,718	70,216,944	92,806,812	269,756,474
Due from ceding companies	59,031,506	22,398,982	53,292,163	134,722,651
Premiums receivable	10,690,477	9,986,437	60,650,420	81,327,334
Due from agents	90,259	592,412	1,256,120	1,938,791
Reinsurance recoverable on paid losses	-	-	2,698,053	2,698,053
	176,544,960	103,194,775	210,703,568	490,443,303
2023	< 90 days	91 to 180 days	181 to 365 days	Total
Insurance receivables				
Due from brokers	75,528,805	70,639,604	51,800,419	197,968,828
Due from ceding companies	66,673,358	24,246,785	62,641,891	153,562,034
Premiums receivable	8,691,799	4,178,766	57,460,447	70,331,012
Due from agents	151,106	262,626	-	413,732
Reinsurance recoverable on paid losses	-	-	2,698,053	2,698,053
	151,045,068	99,327,781	174,600,810	424,973,659

The Company did not have any credit risk concentrations other than to the Philippine National Government due to its government bond investments. Reinsurance contracts of the Company and the related amounts recoverable from reinsurers on unpaid losses are substantially with related parties with no history of default.

(b.2) Liquidity risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The major liquidity risk confronting the Company is the day-to-day cash requirements for claims arising from insurance contracts. This risk is addressed by an effective cash management function and ensuring that liquidity is a major consideration for selecting long-term investment securities.

A daily cash position report is prepared and reviewed by management based on daily bank balances. The report takes into account projections for settlement of major claims and other liabilities based on the input provided by the different departments executing the transactions. The Company also ensures cash calls are sent promptly to reinsurers. A twelve month rolling cash flow forecast is prepared monthly to project major cash requirements and its impact to the Company's cash position on an ongoing basis.

The table below summarizes the maturity profile of the financial liabilities of the Company as at December 31, 2024 and 2023 based on the remaining period at the reporting date to their contractual maturities and are also presented based on contractual undiscounted repayment obligations.

2024	Within a year	1-3 years	4-5 years	Total
Insurance contract liabilities				
Provision for claims reported and IBNR	1,716,722,054	-	-	1,716,722,054
Insurance payables				
Premiums due to reinsurer	704,987,747	-	-	704,987,747
Funds held for reinsurers	1,262,499,307	-	-	1,262,499,307
Trade and other liabilities				
Accrued expenses (except taxes and provisions)	152,724,063	-	-	152,724,063
Lease liability	8,537,960	-	-	8,537,960
Intercompany payables	75,795,452	-	-	75,795,452
Other liabilities	25,420,472	-	-	25,420,472
Total financial liabilities	3,946,687,055	-	-	3,946,687,055

2023	Within a year	1-3 years	4-5 years	Total
Insurance contract liabilities				
Provision for claims reported and IBNR	2,028,185,415	-	-	2,028,185,415
Insurance payables				
Premiums due to reinsurer	442,181,663	-	-	442,181,663
Funds held for reinsurers	1,099,825,158	-	-	1,099,825,158
Trade and other liabilities				
Accrued expenses (except taxes and provisions)	136,817,924	-	-	136,817,924
Lease liability	9,194,668	8,537,960	-	17,732,628
Intercompany payables	16,620,335	-	-	16,620,335
Other liabilities	38,467,789	-	-	38,467,789
Total financial liabilities	3,771,292,952	8,537,960	-	3,779,830,912

It is unusual for a company primarily transacting insurance business to predict the requirements of funding with absolute certainty as theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amounts and maturities in respect of insurance liabilities are thus based on management's best estimate using information that develops during the course of the loss adjustment process. Insurance contract liabilities are expected to be settled within one year.

The Company's financial assets which are primarily held to manage insurance contract liabilities are sufficient to finance operations, pay financial liabilities and to mitigate the effects of fluctuations in cash flows.

(b.3) Market risk

Market risk is the risk of change in value of financial instruments from fluctuations in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market equity prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The market risk the Company accepts is limited by regulatory restrictions imposed by the Insurance Code by allowing only certain types of investments. Liquidity and solvency are primary decision criteria for investing while at the same time limiting its investments in Philippine Peso and US Dollar to minimize and efficiently manage currency risk. An effective asset-liability matching process is in place.

(b.3.1) Currency risk

The Company's principal transactions are carried out in Philippine Peso and its exposure to foreign exchange risk arise primarily with respect to the US Dollar, as the Company deals with foreign reinsurers in the settlement of its obligations and receipt of any claim reimbursements. The Company's financial assets are denominated in the same currencies as its insurance liabilities, which mitigate the foreign currency exchange rate risk. Thus, the main foreign exchange risk arises from recognized assets and liabilities denominated in currencies other than those in which insurance liabilities are expected to be settled.

The table below summarizes the Company's main exposure to foreign currency exchange risks as at December 31:

	2024		2023	
	US\$	PHP	US\$	PHP
Cash and cash equivalents	18,147,514	1,049,458,331	12,080,882	668,930,575
Insurance receivables	6,027,246	348,597,198	4,896,953	271,149,127
	24,174,760	1,398,055,529	16,977,835	940,079,702
Accrued expenses	209,383	12,110,078	581,486	32,197,456
Intercompany payables	897,217	51,892,248	1,123,654	62,217,802
Insurance payables and other liabilities	15,952,333	922,633,507	1,099,661	60,889,318
	17,058,933	986,635,833	2,804,801	155,304,576
	7,115,827	411,419,696	14,173,034	784,775,126

The intercompany receivables, intercompany payables and other liabilities shown above are presented net of the related peso-denominated balances for each counterparty under Notes 17 and 25.

Foreign exchange loss (gain), net, recognized in the statement of comprehensive income for the year ended December 31, 2024 amount to P18.94 million loss (2023 – P6.89 million gain).

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on profit after tax and equity. The fluctuation rate in 2024 and 2023 of +/-P1 is based on what management considers as material when assessing its exposure to US Dollar.

The correlation of variables will have a significant effect in determining the ultimate impact of market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

2024	Impact on equity and on profit after tax		
	Change in assumption	Increase in Peso per US\$ Depreciation	Decrease in Peso per US\$ Appreciation
Cash and cash equivalents	+/-P1	(18,285,057)	18,009,971
Insurance receivables	+/-P1	(6,027,246)	6,027,246
Accrued expenses	+/-P1	(209,368)	209,398
Intercompany payable	+/-P1	(897,215)	897,219
Insurance payable and other liabilities	+/-P1	(15,952,245)	15,952,421
2023	Impact on equity and on profit after tax		
	Change in assumption	Increase in Peso per US\$ Depreciation	Decrease in Peso per US\$ Appreciation
Cash and cash equivalents	+/-P1	(9,060,662)	9,060,662
Insurance receivables	+/-P1	(3,672,776)	3,672,654
Accrued expenses	+/-P1	(436,121)	436,108
Intercompany payable	+/-P1	(842,777)	842,704
Insurance payable and other liabilities	+/-P1	(2,256,040)	2,255,958

(b.3.2) Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in interest rates. The Company's AFS debt securities bear fixed interest rates and therefore the Company is exposed to fair value interest rate risk but not to cash flow interest rate risk.

The following table shows information relating to the Company's exposure to fair value interest rate risk as at December 31:

2024	Interest rates	Maturity			Total
		Within a year	2-3 years	4-5 years	
AFS debt securities	2.38% - 8.63%	335,468,882	1,146,384,933	879,613,812	2,361,467,627

2023	Interest rates	Maturity			Total
		Within a year	2-3 years	4-5 years	
AFS debt securities	2.38% - 13%	598,288,210	777,686,730	819,346,910	2,195,321,850

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on revaluing fixed rate AFS financial assets on equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

The fluctuation rate of +/-100 basis points is based on management's assessment of the most reasonable shift in interest rates.

2024	Change in Variables	Impact on Equity
Peso	+100 basis points	(19,516,222)
Peso	-100 basis points	98,334,101

2023	Change in Variables	Impact on Equity
Peso	+100 basis points	(34,433,655)
Peso	-100 basis points	79,042,643

The fluctuations in interest rates have no impact on profit or loss.

(b.3.3) Equity price risk

The Company's equity price risk exposure at year-end relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, principally AFS equity securities.

Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The Company's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investment, diversification plan and limits on investments.

The analysis below is performed for reasonable possible movements in AFS equity investment in key variables with all other variables held constant, showing the impact on equity. The fluctuation rates used are based on the historical movements of the Philippine Stock Exchange index (PSEi) year on year. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

2024	Change in Variables	Impact on Equity
PSEi	15.38%	29,359,023
PSEi	-15.38%	(29,359,023)

2023	Change in Variables	Impact on Equity
PSEi	14.02%	33,462,721
PSEi	-14.02%	(33,462,721)

The fluctuations in PSEi has no impact to profit or loss.

(c) *Capital management*

The Company maintains a certain level of capital to ensure compliance to statute and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum net worth and capital requirements set by the regulators and the amount computed under the Risk-Based Capital (“RBC”) Model.

The operations of the Company are subject to the regulatory requirements of the Insurance Code as supervised by the Insurance Commission (IC). Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., minimum net worth requirements and minimum risk-based capital adequacy ratio).

Management benchmarks its target capital level to the regulatory minimum, providing allowance for potential catastrophe losses, modest expansion and fluctuations in values of assets. The risk management function identifies the areas at its operations where capital can be substantially exposed. These are effectively addressed by the Company’s underwriting, reinsurance, credit and investment policies. It is the policy of the Company to distribute capital in excess of its target level to its shareholders by way of cash dividend out of its retained earnings.

Management monitors its target capital level on a quarterly basis. Management is required by internal governance standards to report any situation that may lead to a breach of minimum required capital levels to the Audit Committee and to the BOD to agree on any corrective action required to preserve the capital level.

No changes were made on the Company’s objectives, policies and processes from the previous years.

Statutory net worth

Republic Act No. 10607, the Amended Insurance Code (the “Code”), was enacted into law effective September 20, 2013. Among the more significant provisions of the Code include the requirement for domestic insurance companies to maintain the following minimum statutory net worth:

Net worth	Compliance date
250,000,000	June 30, 2013
550,000,000	December 31, 2016
900,000,000	December 31, 2019
1,300,000,000	December 31, 2022

As at December 31, 2024, the Company’s statutory net worth amounted to P2.11 billion (2023 – P1.87 billion). The Company is compliant with the minimum statutory net worth as at December 31, 2024 and 2023.

Risk-based capital

On December 28, 2016, the IC issued CL No. 2016-68 which provides for the Amended RBC 2 Framework with effect beginning January 1, 2017. The CL provides that the RBC ratio of a non-life insurance company is calculated by dividing the total available capital by the RBC requirement. Total available capital is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and deductions prescribed by the IC. The non-life RBC requirement considered the following components set by the IC: (i) credit risk capital charge; (ii) insurance risk capital charge; (iii) market risk capital charge for equities; (iv) market risk capital charge for other than equities; (v) operational risk capital charge; and (vi) catastrophe risk capital charge. The minimum RBC ratio is to be established at 100%. All non-life insurance companies are required to maintain the minimum RBC ratio and not fail the trend test. Failure to meet the minimum RBC ratio will trigger regulatory intervention by the IC.

On the same date, the IC issued CL No. 2016-69 which provides that on the following year of implementation of the Amended RBC 2 Framework, the RBC requirement will be relaxed to consider the level of sufficiency to be 95th percentile for year 2017, 97.5th percentile for year 2018 and 99.5th percentile for year 2019.

The Company is compliant with the requirements of the RBC 2 framework as at December 31, 2024 and 2023.

The following table shows how the RBC ratio was determined by the Company as at December 31, 2024 (based on Amended RBC 2 Framework) subject to IC approval:

Net worth	2,109,554,069
RBC requirement	544,680,083
RBC ratio	387%

On March 12, 2025, the Insurance Commission has issued an approval and Synopsis of the 2023 annual statements with an RBC ratio of 319%.

6. Fair value estimation

The fair value of financial instruments under AFS that are actively traded in organized financial markets is determined by reference to quoted market prices, at the close of business on the reporting date. For unquoted equity instruments, reference is made to the cost which is assumed to be a reasonable approximation of fair value given the limited transactions and circumstances of the instruments. Unquoted equity instruments pertain to a portion of the Company's proprietary shares.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as at the reporting date. Market price data is generally obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments. Assets measured at fair value on a recurring basis and classified as Level 1 are actively traded listed equities.

The Company considers that government debt securities issued by G7 countries (United States, Canada, France, Germany, Italy, Japan, and the United Kingdom) and traded in a dealer market to be Level 1, until they no longer trade with sufficient frequency and volume to be considered actively traded.

- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted prices that are observable for the asset and liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Assets and liabilities measured at fair value on a recurring basis and classified as Level 2 generally include government securities issued by non-G7 countries, most investment grade corporate bonds, derivative contracts, and proprietary shares. Mortgage and guaranteed loans, with fair values disclosed, are also classified as Level 2.
- Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Unobservable inputs are only used to measure fair value to the extent that relevant observable inputs are not available, allowing for circumstances in which there is little, if any, market activity for the asset or liability. Assets and liabilities measured at fair value on a recurring basis and classified as Level 3 include private equity investments, and direct private equity investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment. In making the assessment, the Company considers factors specific to the asset or liability.

The following table presents the fair value hierarchy of the Company's financial assets measured at fair value at December 31 following the fair value hierarchy definition as described above.

December 31, 2024	Level 1	Level 2	Total
Recurring measurements			
AFS financial assets			
Government debt securities	-	2,361,467,627	2,361,467,627
Listed equity securities	190,890,916		190,890,916
Proprietary shares	-	217,305,697	217,305,697
	190,890,916	2,578,773,324	2,769,664,240
December 31, 2023	Level 1	Level 2	Total
Recurring measurements			
AFS financial assets			
Government debt securities	-	2,195,321,850	2,195,321,850
Listed equity securities	238,678,467	-	238,678,467
Proprietary shares	-	180,305,698	180,305,698
	238,678,467	2,375,627,548	2,614,306,015

There are no financial instruments classified as Level 3. There were no transfers between Level 1 and Level 2 during the year.

The carrying values of the other financial assets and liabilities reasonably approximate their fair values due to their short-term nature or the impact of discounting is not significant.

7. Net earned insurance premiums

Gross earned premiums and reinsurers' share of gross earned premiums on insurance contracts for the years ended December 31 consist of the following:

	2024	2023
Gross premiums on insurance contracts		
Direct insurance	2,016,988,513	1,879,547,323
Assumed reinsurance	505,003,689	516,744,399
Change in provision for unearned premiums	(12,020,044)	(35,649,520)
Total gross earned premiums on insurance contracts	2,509,972,158	2,360,642,202
Reinsurers' share of gross earned premiums on insurance contracts		
Direct insurance	1,867,694,660	1,727,338,000
Assumed reinsurance	480,084,923	490,451,586
Reinsurers' share of change in deferred reinsurance premiums	(14,224,625)	(24,864,740)
Total reinsurers' share of gross earned premiums on insurance contracts	2,333,554,958	2,192,924,846
Net earned insurance premiums	176,417,200	167,717,356

8. Net investment income

The account for the years ended December 31 consists of the following:

	Notes	2024	2023
Interest income on:			
AFS financial assets			
Government securities	16	116,279,514	80,005,872
Amortization of discount (premium)	16	16,010,637	(10,921,436)
Cash and cash equivalents	19	55,998,383	102,397,248
Loans and receivables			
Mortgage loans		31,998	36,113
Collateral loans		570	2,260
Dividend income	16	6,132,463	6,188,671
Loss on sale of AFS financial assets	16	(5,500,298)	(6,200,113)
Others		(7,818,561)	-
		181,134,706	171,508,615

9. Other income, net

Other income for the years ended December 31, 2024 and 2023 pertains mainly to fees for claims handling services, engineering services and other management services rendered to various third parties and entities under common control (Note 27) and income earned from related parties due to shared resources (Note 27).

10. Net insurance claims

Gross insurance claims paid for the years ended December 31 consist of the following:

	Note	2024	2023
Insurance contract claims paid			
Direct insurance		79,602,704	149,775,930
Assumed reinsurance		137,166,949	248,424,097
Total insurance contract claims paid	22	216,769,653	398,200,027

Reinsurers' share of gross insurance contract claims paid for the years ended December 31 consist of the following:

	Note	2024	2023
Reinsurers' share of insurance contract claims paid			
Direct insurance		64,816,169	125,422,464
Assumed reinsurance		117,050,617	191,241,577
Total reinsurers' share of insurance contract claims paid	22	181,866,786	316,664,041

Gross change in claims liabilities for the years ended December 31 consist of the following:

	Note	2024	2023
Change in provision for claims reported			
Direct insurance		168,447,391	(554,080,993)
Assumed reinsurance		(405,237,364)	(55,273,251)
Change in provision for IBNR	22	(78,360,716)	288,904,266
Total gross change in claims liabilities		(315,150,689)	(320,449,978)

Reinsurers' share of gross change in claims liabilities for the years ended December 31 consist of the following:

	Note	2024	2023
Reinsurers' share of gross change in claims liabilities			
Direct insurance		(134,392,715)	548,222,510
Assumed reinsurance		313,813,552	39,128,089
Reinsurers' share of change in provision for IBNR	22	52,571,697	(271,489,955)
Total reinsurers' share of gross change in claims liabilities		231,992,534	315,860,644

11. Operating expenses

The account for the years ended December 31 consist of:

	Notes	2024	2023
Salaries and employee benefits	21	120,233,141	136,586,757
Allocated Parent Company expenses	27	102,120,033	102,547,457
Professional and other service fees		66,618,037	40,681,828
Electronic data processing expenses		36,332,656	50,382,804
Depreciation and amortization	13	16,316,223	16,528,038
Repairs and maintenance		6,749,910	6,831,775
Communications, light and water		4,331,287	5,617,022
Entertainment, amusement and representation		3,283,583	2,124,573
Rent	26	3,520,823	1,217,460
Transportation and travel		1,361,297	1,685,673
Office supplies and printing cost		1,318,761	1,783,484
Sales and marketing		1,038,326	106,771
Fines and penalties		718,901	10,912,719
Others		33,579,142	19,558,104
Gross operating expenses		397,522,120	396,564,465
Less: Cost recoveries	27	24,052,865	36,147,766
Operating expenses, net		373,469,255	360,416,699

Professional and other service fees include audit and legal fees.

Others consist of bank charges, shipping fees, insurance expense, interest on lease liabilities and provisions for fines and penalties.

Cost recoveries pertain to expenses paid by the Company on behalf of other AIG entities. The balance for the years ended December 31 includes:

	Note	2024	2023
Salaries and employee benefits		22,148,999	33,658,193
Depreciation and amortization		511,248	887,512
Transportation and travel		542,160	642,956
Repairs and maintenance		369,440	561,828
Rent		303,062	158,391
Communications, light and water		100,760	118,505
Entertainment, amusement and representation		50,032	63,690
Office supplies and printing costs		27,164	56,691
	27	24,052,865	36,147,766

Others relate to cost recoveries from allocated parent company expenses in 2024.

12. Income tax

The details of provision for income tax for the years ended December 31 follow:

	2024	2023
Current	82,658,607	66,540,018
Income tax deficiency	8,520,960	-
Deferred	5,268,157	(6,280,520)
	96,447,724	60,259,498

Current income tax expense includes final tax amounting to P24.77 million in 2024 (2023 - P24.12 million).

The reconciliation of statutory income tax rates to effective income tax rates as at December 31 is as follows:

	2024	2023
Statutory income tax rates	25.00	25.00
Tax effects of:		
Non-deductible expense	3.69	4.09
Income already subjected to final tax	(5.73)	(6.77)
Non-taxable income	(0.39)	(0.56)
Income tax deficiency	2.19	-
Effective income tax rates	24.76	21.76

The Company's net deferred income tax assets as at December 31 consist of:

	2024	2023
Deferred income tax assets on:		
Excess of deferred reinsurance premiums per books over tax basis	159,522,494	126,149,271
IBNR	33,813,086	40,260,340
Deferred reinsurance commissions	44,016,011	45,006,244
Accrued expenses	4,463,699	2,084,319
Allowance for impairment – premiums receivable	2,516,480	881,513
Reserve for discretionary bonus	2,428,621	2,804,273
Retirement benefit obligation	1,832,914	2,434,902
Reserve for contingent profit commission	1,658,161	1,721,317
Others	5,620,535	2,243,131
Total deferred income tax assets	255,872,001	223,585,310
Deferred income tax liabilities on:		
Excess of provision for unearned premiums per tax over books	156,397,593	122,269,190
Revaluation reserve on AFS financial assets	17,731,756	12,446,895
Deferred acquisition costs	16,591,238	16,078,756
Right-of-use asset	1,738,116	-
Total deferred income liabilities	192,458,703	150,794,841
Net deferred income tax assets	63,413,298	72,790,469

Other deferred income tax assets pertain to temporary differences arising from provision for service fees and legal contingencies, retirement benefit obligation and lease contracts accounted under PFRS 16.

Movements in net deferred income tax assets follow:

	2024	2023
At January 1	72,790,469	74,422,260
Amounts credited to profit or loss	(5,268,156)	6,280,520
Amounts charged to other comprehensive income	(4,109,015)	(7,912,311)
At December 31	63,413,298	72,790,469

In 2024, an overpayment of P47.9 million is presented as part of Other assets in the statement of financial position.

13. Property and equipment, net

Details of and movements in the account as at and for the years ended December 31 follows:

2024	EDP equipment	Furniture and Fixtures	Leasehold Improvement	Transport equipment	Office premise	Total
Cost						
January 1, 2024	68,131,350	7,101,276	24,781,274	6,143,751	62,007,675	168,165,326
Additions	-	-	-	-	-	-
Adjustment	(2,198,838)	-	-	-	-	(2,198,838)
	65,932,512	7,101,276	24,781,274	6,143,751	62,007,675	165,966,488
Accumulated depreciation and amortization						
January 1	36,033,046	6,323,005	24,781,274	4,493,346	46,712,255	118,342,926
Depreciation and amortization	7,017,922	166,772	-	788,573	8,342,956	16,316,223
	43,050,968	6,489,777	24,781,274	5,281,919	55,055,211	134,659,149
Net book value	22,881,544	611,499	-	861,832	6,952,464	31,307,339
2023						
	EDP equipment	Furniture and Fixtures	Leasehold Improvement	Transport equipment	Office premise	Total
Cost						
January 1, 2023	67,467,148	6,267,414	24,781,274	6,143,750	62,007,675	166,667,261
Additions	664,202	833,862	-	-	-	1,498,064
	68,131,350	7,101,276	24,781,274	6,143,750	62,007,675	168,165,325
Accumulated depreciation and amortization						
January 1	28,827,305	6,267,414	24,781,274	3,569,596	38,369,299	101,814,888
Depreciation and amortization	7,205,741	55,591	-	923,750	8,342,956	16,528,038
	36,033,046	6,323,005	24,781,274	4,493,346	46,712,255	118,342,926
Net book value	32,098,304	778,271	-	1,650,404	15,295,420	49,822,399

Depreciation and amortization for the years ended December 31, 2024 and 2023 are included under operating expenses in the statement of comprehensive income.

14. Reinsurance assets

Details of the account at December 31 follow:

	Note	2024	2023
Reinsurance recoverable on unpaid losses	22	1,488,056,155	1,717,136,623
Deferred reinsurance premiums	22	590,453,690	572,059,453
		2,078,509,845	2,289,196,076

All reinsurance assets are expected to be collected and realized within one year.

15. Deferred acquisition costs; Deferred reinsurance commission

The roll-forward analysis of deferred acquisition costs for the years ended December 31 follows:

	2024	2023
At January 1	64,315,024	56,637,090
Cost deferred during the year	171,492,282	155,340,559
Amortization charge for the year	(169,442,352)	(147,662,625)
At December 31	66,364,954	64,315,024

The contingent profit commission incurred for the year ended December 31, 2024 amount to 5,874,762 (2023 - 6,624,085).

Deferred acquisition costs are to be amortized within one (1) year from reporting date.

The roll-forward analysis of deferred reinsurance commission for the years ended December 31 follows:

	2024	2023
At January 1	180,024,976	168,637,443
Income deferred during the year	558,071,665	542,138,140
Commissions earned during the year	(562,032,599)	(530,750,607)
At December 31	176,064,042	180,024,976

16. Available-for-sale (AFS) financial assets

	2024	2023
Government debt securities		
Local currency	2,361,467,627	2,195,321,850
Equity securities		
Listed shares	190,890,916	238,678,467
Proprietary shares	217,305,697	180,305,698
	2,769,664,240	2,614,306,015

The movements in the carrying values of AFS financial assets as at and for the years ended December 31.

	Note	2024	2023
At January 1		2,614,306,015	2,193,144,294
Additions		762,722,694	955,392,484
Disposals/maturities		(673,396,421)	(604,593,837)
Amortization of discount (premium)	8	16,010,637	(10,921,436)
Fair value change recycled to profit or loss	8	(5,500,298)	(6,200,113)
Fair value change in other comprehensive income		55,521,613	87,484,623
At December 31		2,769,664,240	2,614,306,015

The unrealized gain in respect to change in fair value of AFS financial assets charged against equity as at December 31, 2024 amounts to P44.74 million (2023 - P72.07 million), net of tax effect of P5.28 million (2023 - P9.21 million).

Proceeds from sale and maturities of AFS financial assets for the year ended December 31, 2024 amount to P64.90 million and P603 million, respectively (2023 - P19.40 million and P579 million, respectively).

Government debt securities have annual interest rates ranging from 2.63% to 8.63% in 2024 (2023 - 2.38% to 13.00%).

Interest income earned, net of amortization of discount, from AFS financial assets for the year ended December 31, 2024 amounts to P132.29 million (2023 - P69.08 million of premium) (Note 8). Dividend income from quoted equity securities for the year ended December 31, 2024 amounted to P6.13 million (2023 - P6.19 million).

The maturity profile of the Company's government debt securities as at December 31.

	2024	2023
Due within one year	335,468,882	598,288,210
2-3 years	1,146,384,933	777,686,730
4-5 years	879,613,812	819,346,910
	2,361,467,627	2,195,321,850

17. Loans and receivables; Accrued income

The account at December 31 consists of:

	Note	2024	2023
Intercompany accounts receivable	27	44,091,253	18,227,183
Mortgage loans		898,795	959,833
Miscellaneous receivables		58,488,192	1,924,064
		103,478,240	21,111,080

The maturity profile of loans and receivables at December 31 is as follows:

	2024	2023
Due within one year	102,301,001	20,139,968
2-3 years	489,332	11,279
4-5 years	167,225	484,734
Over 5 years	520,682	475,099
	103,478,240	21,111,080

Mortgage loans earn interest in 2024 and 2023 ranging from 3% to 12% per annum and with maturities ranging from 1 to 8 year.

Miscellaneous receivables include emergency loan program and salary advances. In 2024, the account includes an adjustment from claims-related transaction.

Details of accrued income as at December 31 follows:

	2024	2023
Government securities	38,721,093	27,525,039
Short-term investments	2,457,488	3,459,153
	41,178,581	30,984,192
Dividend income	117,001	287,691
	41,295,582	31,271,883

18. Insurance receivables, net

The account at December 31 consists of:

	2024	2023
Due from brokers	319,303,036	313,077,785
Due from ceding companies	166,096,888	153,564,983
Premiums receivable	84,517,276	71,258,916
Due from agents	2,005,599	3,021,212
Reinsurance recoverable on paid losses	2,698,053	2,698,053
	574,620,852	543,620,949
Allowance for impairment	(10,065,922)	(3,526,054)
	564,554,930	540,094,895

All insurance receivables are due within one year.

Allowance for impairment pertains to due from brokers, ceding companies and agents and premium receivables that are tagged as impaired. Movements in allowance for impairment as at December 31 follow:

	2024	2023
At January 1	3,526,054	4,784,130
Provision for (reversal of) impairment loss	6,539,868	(1,258,076)
At December 31	10,065,922	3,526,054

19. Cash and cash equivalents

The account at December 31 consists of:

	2024	2023
Cash in banks	408,627,100	213,166,637
Short-term investments	1,219,532,477	1,266,866,332
	1,628,159,577	1,480,032,969

The cash in banks and short-term investments have annual interest rates in 2024 ranging from 0.01% to 6.00% (2023 - 0.01% to 5.96%). Short-term deposits are made for varying periods of less than one year depending on the immediate cash requirements of the Company.

Interest income earned from cash in banks and short-term deposits for the year ended December 31, 2024 amounts to P56 million (2023 - P102.39 million) (Note 8).

20. Equity

(a) Share capital

The Company's share capital as at December 31 consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Common shares - P100 par value				
Authorized	13,000,000	1,300,000,000	13,000,000	1,300,000,000
Issued and outstanding				
At beginning of the year	9,358,524	935,852,400	9,358,524	935,852,400
Issuances during the year	-	-	-	-
At end of the year	9,358,524	935,852,400	9,358,524	935,852,400

(b) Accumulated other comprehensive income

Details of and movements in Accumulated other comprehensive income for the years ended December 31 follow:

	Notes	2024	2023
Fair value reserve on AFS financial assets	16		
At January 1		169,855,102	97,781,836
Fair value change recycled to profit or loss		55,521,613	87,484,623
Fair value changes during the year		(5,500,298)	(6,200,113)
Deferred income tax effect		(5,284,861)	(9,211,244)
At December 31		214,591,556	169,855,102
Remeasurement on retirement benefit obligation	21		
At January 1		(29,541,822)	(25,645,023)
Remeasurement loss for the year		(4,703,384)	(5,195,732)
Deferred income tax effect		1,175,846	1,298,933
At December 31		(33,069,360)	(29,541,822)
		181,522,196	140,313,280

(c) Retained earnings

As at December 31, 2024 and 2023, the Company has excess retained earnings over its paid-up capital.

In 2008, the SEC issued Memorandum Circular No. 11 providing the guidelines in determining the appropriate amount of retained earnings available for dividend distribution taking into consideration the effective guidelines of the SEC. On January 24, 2013, SEC issued Financial Reporting Bulletin No. 14, *Reconciliation of Retained Earnings Available for Dividend Declaration*, which prescribed adjustments as indicated in Annex 68-C of SRC Rule 68.

Consistent with the provision of the Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of 100% of their paid-in capital.

BIR Revenue Regulations No. 2-2001 provides that insurance companies are exempted from the 10% improperly accumulated earnings tax imposed on improperly accumulated taxable income.

The amended Insurance Code provides that no domestic insurance corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements of the amended Insurance Code.

The Company plans to retain the excess retained earnings over its paid up capital as at December 31, 2024 of P212.56 million (2023 - P219.52 million) for the following:

- As additional reserve for future contingencies, including catastrophe and other losses; and
- To comply with the more robust RBC and reserving requirements implemented by the IC.

Management will continue to evaluate the plans to retain the excess retained earnings over its paid up capital after considering the amended regulatory capital requirements of the IC on fixed capitalization and RBC framework.

On December 8, 2023, the Company's BOD approved the declaration of cash dividends amounting to P53.43 per share out of the Company's unrestricted retained earnings as at December 31, 2022. In total, P500.00 million cash dividends were paid on December 15, 2023.

On August 22, 2024, the Company's BOD approved the declaration of cash dividends amounting to P32.06 per share out of the Company's unrestricted retained earnings as at December 31, 2023. In total, P300.00 million cash dividends were paid on September 13, 2024.

21. Employee benefits

The amounts recognized in the financial statements as at and for the years ended December 31 related to post-employment benefits are as follows:

	Note	2024	2023
Retirement benefit obligation		7,290,092	9,739,606
Provisions for other post-employment benefits	25	8,773,763	4,624,351
		16,063,855	14,363,957
		2024	2023
Charged to profit or loss within salaries and employee benefits under Operating expenses:			
Retirement benefit obligation		6,980,524	4,982,700
Provision for other post-employment benefits		477,462	271,796
		7,457,986	5,254,496
		2024	2023
Remeasurement losses for:			
Retirement benefit obligation		569,965	4,541,840
Provisions for other post-employment benefits		4,133,421	653,892
		4,703,386	5,195,732

(a) Defined benefit retirement plans

The Company operates a defined benefit retirement plan, covering substantially all of its employees, which requires contributions to be made to an administered fund. The plan is administered by a local bank as trustee. The level of benefits provided depends on the members' length of service and their salary in the final years leading up to retirement. Plan assets held in trusts are governed by local regulations. The net defined benefit liability or asset is calculated annually by an independent actuary using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The amounts recognized in the statement of financial position are determined as follows:

	2024	2023
Present value of funded obligations	94,834,025	84,746,083
Fair value of plan assets	(87,543,933)	(75,006,477)
Balance in the statement of financial position	7,290,092	9,739,606

The movement in the retirement benefit obligation and plan assets for the years ended December 31 are as follows:

	Present value of obligation	Fair value of plan assets	Total
At January 1, 2024	84,746,083	(75,006,477)	9,739,606
Current service cost	6,386,406	-	6,386,406
Interest expense (income)	5,169,511	(4,575,395)	594,116
	11,555,917	(4,575,395)	6,980,522
Remeasurements			
Return on plan assets, excluding amounts included in interest expense	-	1,369,017	1,369,017
Gain from change in financial assumptions	(3,320,991)	-	(3,320,991)
Experience adjustments	2,521,938	-	2,521,938
	(799,053)	1,369,017	569,964
Contributions of the Company	-	(10,000,000)	(10,000,000)
Benefit payments from plan	(668,922)	668,922	-
At December 31, 2024	94,834,025	(87,543,933)	7,290,092

	Present value of obligation	Fair value of plan assets	Total
At January 1, 2023	84,028,651	(79,813,585)	4,215,066
Current service cost	4,687,645	-	4,687,645
Interest expense	5,882,006	(5,586,951)	295,055
	10,569,651	(5,586,951)	4,982,700
Remeasurements			
Return on plan assets, excluding amounts included in interest expense	-	(1,115,324)	(1,115,324)
Gain from change in financial assumptions	3,545,459	-	3,545,459
Experience adjustments	2,111,705	-	2,111,705
	5,657,164	(1,115,324)	4,541,840
Contributions of the Company	-	(4,000,000)	(4,000,000)
Benefit payments from plan	(15,509,383)	15,509,383	-
At December 31, 2023	84,746,083	(75,006,477)	9,739,606

The significant actuarial assumptions for the years ended December 31 are as follows:

	2024	2023
Discount rate	6.10%	6.10%
Rate of salary increase	5.50%	6.00%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions at December 31 follows:

Impact on defined benefit obligation			
2024	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 7%	Increase by 8%
Rate of salary increase	1%	Increase by 7%	Decrease by 7%

Impact on defined benefit obligation			
2023	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 8%	Increase by 9%
Rate of salary increase	1%	Increase by 8%	Decrease by 7%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of financial position.

There are no changes from the prior year in the methods and assumptions used in preparing the sensitivity analyses.

Plan assets comprised the following:

	2024		2023	
	Amount	%	Amount	%
Quoted				
Equity securities	50,336	0%	869,722	1%
Debt instruments	86,912,979	99%	67,881,650	91%
Unquoted				
Cash and cash equivalents	580,618	1%	6,255,105	8%
	87,543,933	100%	75,006,477	100%

The plan is being administered by a trustee-bank who is authorized to invest and manage the fund based on investment guidelines agreed under the trust agreement.

The fair value of the plan assets approximates their carrying value as at December 31, 2024 and 2023. The defined benefit plan typically exposes the Company to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement obligation. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Company. However, the Company believes that due to the long-term nature of the retirement obligation and the strength of the Company itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The Company's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the Company, as necessary to better ensure the appropriate asset-liability matching.

The Company contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary. There is no expected additional contribution to be made yet in 2025.

The expected maturity analysis of undiscounted retirement benefit payments as at December 31 is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
2024	5,183,972	17,032,985	15,371,045	217,045,318
2023	4,200,922	4,683,545	28,078,590	216,625,608

(b) Other post-employment benefits (retirement life and medical)

The Company provides post-retirement life and medical benefits to qualified retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment and calculated by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The movements in the post-employment benefit obligation for the years ended December 31 are as follows:

	2024	2023
At January 1	4,624,351	3,767,615
Interest expense	277,462	271,796
Remeasurements		
Loss from change in financial assumptions	520,720	273,022
Provisions for other post-employment benefits	3,612,701	380,870
	4,133,421	653,892
Benefit payments by the Company	(261,471)	(68,952)
At December 31	8,773,763	4,624,351

The provision for other post-employment benefits is presented in trade and other liabilities (Note 25).

The significant actuarial assumption for the years ended December 31 is as follows:

	2024	2023
Discount rate	6.10%	6.00%

The sensitivity of the post-employment benefit obligation to a change in the weighted principal assumption at December 31 follows:

Discount rate	Impact on other post-employment benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
2024	1%	Decrease by 5%	Increase by 5%
2023	1%	Decrease by 5%	Increase by 5%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the other post-employment benefits recognized within the statement of financial position.

There are no changes from the prior year in the methods and assumptions used in preparing the sensitivity analyses. The weighted average duration of the defined benefit obligation is 7 years as at December 31, 2024 (2023 - 6 years).

The expected maturity analysis of undiscounted other post-employment benefit payments as at December 31 is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
2024	860,255	924,985	3,101,285	9,542,567
2023	550,683	575,705	1,987,798	3,081,386

(c) Staff costs and other employee related costs

Staff costs and other employee related costs for the years ended December 31 consist of:

	Note	2024	2023
Wages and salaries		92,005,068	107,444,326
Net benefit expense		6,980,524	4,982,700
Social security costs		2,412,373	2,364,594
Others		18,835,176	21,795,137
	11	120,233,141	136,586,757

Others pertain mainly to severance pay as a result of vacation leave credits and other post-retirement benefits.

22. Insurance contract liabilities and reinsurance assets

On December 28, 2016, the IC, through its Circular Letter (CL) No. 2016-67, issued the New Valuation Standard for Insurance Policy Reserve with effect beginning January 1, 2017 and onwards. Among others, the New Valuation Standard for Insurance Policy Reserve provides for (i) the determination of premium liabilities based on the higher of Unearned Premium Reserve (UPR) and Unearned Risk Reserve (URR); (ii) consideration of the Claims Handling Expense (CHE); (iii) consideration of Margin for Adverse Deviation (MfAD) to allow for inherent uncertainty of the best estimate of policy reserve; (iv) certification of an actuary on the calculation of the insurance policy reserve in accordance with the New Valuation Standard for Insurance Policy Reserve prescribed by the IC.

Beginning January 1, 2018, premium liabilities will be determined based on the higher of the UPR (net of DAC) and URR and application of Company specific MfAD. The Company elected to apply the change in valuation methodology for the Company's premium liabilities retrospectively. The Company's UPR, (net of DAC) is higher than URR as at December 31, 2018 and until December 31, 2023 and 2024.

The Company has adopted the New Valuation Standard for Insurance Policy Reserve issued by the IC CL 2016-67 as its accounting policy for reserving, particularly the consideration of MfAD and CHE in determining its claims liabilities. The Company has engaged its regional actuary in determining its claims liabilities, who has considered actual historical claims data for the last 10 years, CHE of 3.5% and 100% of the Company specific MfAD in determining its claims obligation. The 100% of the Company specific MfAD has been applied by the Company in accordance with IC CL 2018-19.

Short-term non-life insurance liabilities as at December 31 are analyzed as follows:

	2024			2023		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
Provision for claims reported and loss adjustment expenses	695,901,358	602,487,801	93,413,557	929,004,003	778,996,573	150,007,430
Provision for IBNR	1,020,820,696	885,568,354	135,252,342	1,099,181,412	938,140,050	161,041,362
Total claims reported and IBNR	1,716,722,054	1,488,056,155	228,665,899	2,028,185,415	1,717,136,623	311,048,792
Provision for unearned premiums	680,044,726	590,453,690	89,591,036	662,977,297	572,059,453	90,917,844
Total insurance contract liabilities	2,396,766,780	2,078,509,845	318,256,935	2,691,162,712	2,289,196,076	401,966,636

Provision for IBNR consists of:

	2024			2023		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
IBNR best estimate	675,808,589	617,713,227	58,095,362	689,117,642	625,571,320	63,546,322
MfAD	309,180,533	267,855,127	41,325,406	369,687,082	312,568,730	57,118,352
CHE	35,831,572	-	35,831,572	40,376,688	-	40,376,688
At December 31	1,020,820,694	885,568,354	135,252,340	1,099,181,412	938,140,050	161,041,362

Provisions for claims reported by policyholders and IBNR are analyzed as follows:

	2024			2023		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
At January 1	2,028,185,415	1,717,136,623	311,048,792	2,349,045,524	2,033,325,441	315,720,083
Claims incurred and paid (net of salvage and subrogation) during the year	(236,789,973)	(179,420,837)	(57,369,136)	(609,354,244)	(587,350,599)	(22,003,645)
Increase (decrease) in IBNR	(78,360,716)	(52,571,697)	(25,789,019)	288,904,266	271,489,955	17,414,311
Foreign currency remeasurement	3,687,328	2,912,066	775,263	(410,131)	(328,174)	(81,957)
At December 31	1,716,722,054	1,488,056,155	228,665,900	2,028,185,415	1,717,136,623	311,048,792

Provision for unearned premiums is analyzed as follows:

	2024			2023		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
At January 1	662,977,297	572,059,453	90,917,844	625,998,766	545,896,863	80,101,903
New policies written during the year	2,521,992,203	2,347,779,583	174,212,620	2,396,291,722	2,217,789,586	178,502,136
Premiums earned during the year	(2,509,972,158)	(2,333,554,958)	(176,417,200)	(2,360,642,202)	(2,192,924,846)	(167,717,356)
Foreign currency remeasurement	5,047,384	4,169,612	877,772	1,329,011	1,297,850	31,161
At December 31	680,044,726	590,453,690	89,591,036	662,977,297	572,059,453	90,917,844

All insurance liabilities are expected to be settled within one year.

23. Insurance contract liabilities and reinsurance assets - terms, assumptions and sensitivities

23.1 Terms and conditions

The major classes of general insurance written by the Company include accident and health, marine, commercial property and liability insurance. Risks under these policies usually cover 12-month duration.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and IBNR) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the reporting date.

The provisions are refined quarterly as part of a regular ongoing process as claims experience develops, certain claims are settled and further claims are reported.

The measurement process primarily includes projection of future claims costs through a combination of actuarial and statistical projection techniques. In certain cases, where there is a lack of reliable historical data on which to estimate claims development, relevant benchmarks of similar business are used in developing claims estimates. Claims provisions are separately analyzed by class of business. In addition, larger claims are usually either separately assessed by loss adjusters or separately projected by the actuaries. The claims projection assumptions are generally intended to provide a best estimate of the most likely or expected outcome.

23.2 Assumptions

The principal assumption underlying the estimates is the Company's past claims development experience. Loss development factors are established by analyzing at least 10 years of claims data and deriving the claims development trend by class of business.

23.3 Sensitivities

The general insurance claims provision is sensitive to the Company's past claims development experiences. The sensitivity of certain variables like legislative change, uncertainty in the estimation process, etc., is not possible to quantify. Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessments of the ultimate liabilities are recognized in subsequent financial statements.

The Company's estimation of ultimate claim liabilities may be affected largely by the shift in the development trends of losses. However, the Company believes that using statistical data over 10 years minimizes the margin of error in its estimates.

The analysis below is performed for a reasonable possible movement in key assumptions with all other assumptions held constant, on income and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities but to demonstrate the impact due to changes in assumptions, assumption changes had to be done on an individual basis. It should also be stressed that these assumptions are non-linear and larger or smaller impacts cannot easily be gleaned from these results.

The sensitivity in the significant key assumptions being monitored by the Company affecting insurance contract liabilities (i.e. provision for IBNR) is presented as follows:

2024	Change in Assumption	% insurance contract liabilities	
		Gross	Net
Unallocated loss adjustment expenses (ULAE)	+/- 1.00%	+/- 0.21%	+/- 1.59%
Loss ratio	+/- 10.00%	+/- 1.16%	+/- 0.99%

2023	Change in Assumption	% insurance contract liabilities	
		Gross	Net
Unallocated loss adjustment expenses (ULAE)	+/- 1.00%	+/- 0.20%	+/- 1.30%
Loss ratio	+/- 10.00%	+/- 1.04%	+/- 0.88%

The Company's Unearned Premium Reserve (UPR) continue to remain higher than URR requiring no additional reserve for insurance contract liabilities as at December 31, 2024 and 2023.

22.4 Loss development triangle

Reproduced below are the tables showing the development of claims over a period of time on a gross and net reinsurance basis:

Gross reinsurance basis

Accident year	All years prior	2024					
		2019	2020	2021	2022	2023	2024
Estimate of ultimate claims costs							
At the end of							
accident year	13,814,759,428	658,097,993	373,164,872	114,054,187	546,627,464	80,884,599	306,064,792
One year later	16,007,582,675	870,494,778	364,676,491	449,359,905	99,061,275	110,605,467	-
Two years later	16,325,741,282	822,949,736	460,346,046	410,549,607	167,449,199	-	-
Three years later	16,339,565,939	841,920,182	454,034,504	411,927,613	-	-	-
Four years later	16,201,453,098	1,048,313,678	634,654,103	-	-	-	-
Five years later	16,156,799,592	1,293,933,994	-	-	-	-	-
Six years later	16,179,173,855	-	-	-	-	-	-
Seven years later	16,046,284,078	-	-	-	-	-	-
Eight years later	16,043,368,072	-	-	-	-	-	-
Nine years later	14,753,751,623	-	-	-	-	-	-
Current estimate of cumulative claims	14,753,751,623	1,293,933,994	634,654,103	411,927,613	167,449,199	110,605,467	306,064,792
Cumulative payments to date	14,575,861,444	1,257,323,806	555,767,701	373,605,566	159,315,802	38,215,320	22,395,794
Total gross insurance liabilities included in the statement of financial position	177,890,179	36,610,188	78,886,402	38,322,047	8,133,397	72,390,147	283,668,998
Provision for claims reported and loss adjustment expenses, gross							695,901,358

Accident year	All years prior	2023					
		2018	2019	2020	2021	2022	2023
Estimate of ultimate claims costs							
At the end of accident year	12,657,078,253	1,157,681,175	658,097,993	373,164,872	114,054,187	546,627,464	80,884,599
One year later	14,592,988,925	1,414,593,750	870,494,778	364,676,491	449,359,905	99,061,276	-
Two years later	14,958,579,969	1,367,161,313	822,949,736	460,346,046	410,549,607	-	-
Three years later	14,964,089,356	1,375,476,584	841,920,182	454,034,504	-	-	-
Four years later	14,834,422,634	1,367,030,464	1,048,313,678	-	-	-	-
Five years later	14,804,832,191	1,351,967,401	-	-	-	-	-
Six years later	14,827,206,454	-	-	-	-	-	-
Seven years later	14,694,316,677	-	-	-	-	-	-
Eight years later	14,691,400,671	-	-	-	-	-	-
Nine years later	14,648,108,746	-	-	-	-	-	-
Current estimate of cumulative claims	14,648,108,746	1,351,967,401	1,048,313,678	454,034,504	410,549,607	99,061,276	80,884,599
Cumulative payments to date	14,545,396,109	1,211,403,885	632,574,534	358,723,513	312,265,094	74,234,584	29,318,089
Total gross insurance liabilities included in the statement of financial position							
	102,712,637	140,563,516	415,739,144	95,310,991	98,284,513	24,826,692	51,566,510
Provision for claims reported and loss adjustment expenses, gross							929,004,003

Net reinsurance basis

Accident year	All years prior	2024					
		2019	2020	2021	2022	2023	2024
Estimate of ultimate claims costs							
At the end of accident year	3,293,038,066	149,521,007	93,197,544	18,636,300	10,769,655	9,922,619	46,690,040
One year later	3,665,961,736	204,130,273	69,443,056	91,043,970	18,972,675	12,415,865	-
Two years later	3,704,881,682	192,318,331	65,022,638	93,252,987	40,512,275	-	-
Three years later	3,720,723,882	196,841,342	64,881,767	56,281,596	-	-	-
Four years later	3,733,808,004	233,475,745	142,523,828	-	-	-	-
Five years later	3,737,227,177	228,244,014	-	-	-	-	-
Six years later	3,740,371,436	-	-	-	-	-	-
Seven years later	3,739,831,911	-	-	-	-	-	-
Eight years later	3,736,755,562	-	-	-	-	-	-
Nine years later	3,519,001,547	-	-	-	-	-	-
Current estimate of cumulative claims	3,519,001,547	228,244,014	142,523,828	56,281,596	40,512,275	12,415,865	46,690,040
Cumulative payments to date	3,512,848,106	218,977,643	122,768,314	46,722,706	38,595,759	6,754,932	5,588,147
Total net insurance liabilities included in the statement of financial position							
	6,153,441	9,266,371	19,755,514	9,558,890	1,916,516	5,660,933	41,101,893
Provision for claims reported and loss adjustment expenses, net							93,413,557

Accident year	All years prior	2023					
		2018	2019	2020	2021	2022	2023
Estimate of ultimate claims costs							
At the end of							
accident year	3,111,834,805	181,203,260	149,521,007	93,197,544	18,636,300	10,769,655	9,922,619
One year later	3,450,729,169	215,232,568	204,130,273	69,443,056	91,043,970	18,972,675	-
Two years later	3,490,007,649	214,874,033	192,318,331	65,022,638	93,252,987	-	-
Three years later	3,505,189,779	215,534,103	196,841,342	64,881,767	-	-	-
Four years later	3,518,280,879	215,527,124	233,475,745	-	-	-	-
Five years later	3,521,719,791	215,507,386	-	-	-	-	-
Six years later	3,524,864,050	-	-	-	-	-	-
Seven years later	3,524,324,525	-	-	-	-	-	-
Eight years later	3,521,248,176	-	-	-	-	-	-
Nine years later	3,512,882,979	-	-	-	-	-	-
Current estimate of cumulative claims	3,512,882,979	215,507,386	233,475,745	64,881,767	93,252,987	18,972,675	9,922,619
Cumulative payments to date	3,504,805,667	215,454,649	141,978,245	42,637,627	77,332,006	13,114,635	3,565,899
Total net insurance liabilities included in the statement of financial position	8,077,312	52,737	91,497,500	22,244,140	15,920,981	5,858,040	6,356,720
Provision for claims reported and loss adjustment expenses, net							150,007,430

24. Insurance payables

The account as at December 31 consists of:

	Note	2024	2023
Premiums due to reinsurers		704,987,747	442,181,663
Funds held for reinsurers	27	1,262,499,307	1,099,825,158
		1,967,487,054	1,542,006,821

The roll-forward analysis of insurance payables for the years ended December 31 follows:

	2024			2023		
	Premium due to reinsurers	Funds held for reinsurers	Total	Premium due to reinsurers	Funds held for reinsurers	Total
At January 1	442,181,663	1,099,825,158	1,542,006,821	333,386,040	1,073,410,071	1,406,796,111
Arising during the year	1,590,821,993	1,262,499,307	2,853,321,300	1,542,006,821	1,099,825,158	2,641,831,979
Utilized	(1,328,015,910)	(1,099,825,158)	(2,427,841,067)	(1,433,211,198)	(1,073,410,071)	(2,506,621,269)
At December 31	704,987,746	1,262,499,307	1,967,487,054	442,181,663	1,099,825,158	1,542,006,821

All insurance payables are expected to be settled within one year.

25. Trade and other liabilities

The account at December 31 consists of:

	Notes	2024	2023
Accrued expenses		352,524,220	314,211,456
Intercompany payables	27	75,795,452	16,620,335
Provision for other post-employment benefits	21	8,773,763	4,624,351
Lease liability		8,573,960	17,768,627
Other liabilities		25,420,472	38,457,789
		471,087,867	391,682,558

Accrued expenses contain various accruals including accrued commissions, provisions for employee benefits and indirect tax payables.

Other liabilities mainly include employee contributions payable and unpaid invoices.

Movements in lease liability as at and for the years ended December 31 follow:

	2024	2023
As at January 1	17,768,627	25,356,338
Principal payments	(9,194,667)	(7,587,711)
Interest payments	(1,001,321)	(1,685,960)
Non-cash charges		
Interest expense	1,001,321	1,685,960
As at December 31	8,573,960	17,768,627

Other liabilities pertain to approved claims pending for settlement and unallocated collections from policyholders yet to be cleared pending receipt of policy information.

Trade and other liabilities are expected to be settled within one year except for lease liability.

Maturity profile of lease liability follow:

	2024	2023
Within 1 year	8,573,960	9,194,667
Over 1 year	-	8,573,960
	8,573,960	17,768,627

26. Leases

The Company leases an office space for its back office and operations.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Payments for leases of office space are discounted using the lessee's incremental borrowing rate of 7.8% in 2024 and 2023, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The statement of comprehensive income shows the following amounts relating to leases for the period ended December 31:

	Notes	2024	2023
Depreciation expense			
Office premises	13	8,342,956	8,342,956
Interest expense		1,001,321	1,685,960
Rent on short-term leases	11	3,520,823	1,217,460
		12,865,100	11,246,376

27. Related party transactions and balances

The table below summarizes the Company's significant transactions and balances with its related parties.

As at and for the year ended December 31, 2024:

	Transactions	Outstanding balances [Intercompany receivables (payables)]	Terms and conditions
Reinsurance transactions, excluding funds held			
Parent Company	(241,316,192)	(699,749,770)	The outstanding balances are due 75 days after the end of each quarter. The payable is unsecured, bears no interest and payable in cash at gross amount.
Funds held for reinsurers			
Parent Company	(162,674,149)	(1,262,499,307)	Funds held for reinsurers are retained within one year after inception of related reinsurance policies. The outstanding balances are unsecured and bear interest based on BSP published rate on treasury bills for over 90 days, payable in cash at gross amount.
Interest expense from funds held for reinsurers			
Parent Company	59,188,471	-	
Operating expenses			
Parent Company	102,120,033	(33,439,513)	The Company has an existing service agreement with Parent for the provision of services and allocation of shared costs and are payable in cash at gross amount.
Entities under common control	34,157,121	(42,355,939)	The outstanding balances are unsecured, bear no interest and are payable in cash on demand.
Other income			
Entities under common control	58,994,380	32,053,417	These arise from claims handling and management services rendered by the Company to related parties under common control. The outstanding balances are unsecured, bear no interest and collectible in cash at gross amount on demand.
Service claim and general services			
Entities under common control	41,485,161	12,037,836	Intercompany accounts receivables pertain to service claim advanced and general services such as management fees and other related expenses paid by the Company on behalf of its counterparties. The outstanding balances are unsecured, bear no interest and collectible in cash at gross amount on demand.
Salaries, allowances and other short-term benefits			
Key management personnel	71,393,603	-	Bonuses are payable within the first quarter of the following calendar year.
Retirement expense			
Key management personnel	5,735,348	-	Refer to Note 21 - Employee Benefits.
Post-retirement benefit			
Key management personnel	38,912	-	Refer to Note 21 - Employee Benefits.

As at and for the year ended December 31, 2023:

	Transactions	Outstanding balances [Intercompany receivables (payables)]	Terms and conditions
Reinsurance transactions, excluding funds held			
Parent Company	(120,274,110)	(458,433,578)	The outstanding balances are due 75 days after the end of each quarter. The payable is unsecured, bears no interest and payable in cash at gross amount.
Funds held for reinsurers			
Parent Company	(26,415,087)	(1,099,825,158)	Funds held for reinsurers are retained within one year after inception of related reinsurance policies. The outstanding balances are unsecured and bear interest based on BSP published rate on treasury bills for over 90 days, payable in cash at gross amount.
Interest expense from funds held for reinsurers			
Parent Company	59,187,621	-	
Operating expenses			
Parent Company	102,547,457	(10,234,526)	The Company has an existing service agreement with Parent for the provision of services and allocation of shared costs and are payable in cash at gross amount. The outstanding balances are unsecured, bear no interest and are payable in cash on demand.
Entities under common control	36,451,944	(6,385,809)	
Other income			
Entities under common control	50,057,798	47,674,508	These arise from claims handling and management services rendered by the Company to related parties under common control. The outstanding balances are unsecured, bear no interest and collectible in cash at gross amount on demand.
Service claim and general services			
Entities under common control	(53,253,416)	(29,447,325)	Intercompany accounts receivables pertain to service claim advanced and general services such as management fees and other related expenses paid by the Company on behalf of its counterparties. The outstanding balances are unsecured, bear no interest and collectible in cash at gross amount on demand.
Salaries, allowances and other short-term benefits			
Key management personnel	78,641,985		Bonuses are payable within the first quarter of the following calendar year.
Retirement expense			
Key management personnel	3,826,421		Refer to Note 21 - Employee Benefits.
Post-retirement benefit			
Key management personnel	37,953		Refer to Note 21 - Employee Benefits.

No provisions were recognized against related party receivables as at December 31, 2024 and 2023.

28. Supplementary information required by the Bureau of Internal Revenue (“BIR”)

Below is the additional information required by Revenue Regulations No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2024 and the revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT
Subject to 12% VAT Premiums (Non-life)	2,139,742,180	256,769,062
Zero-rated Premiums (Non-life)	183,647,375	-
VAT exempt	1,193,464,467	-
	<u>3,516,854,021</u>	<u>256,769,062</u>

The gross revenues shown above are based on gross receipts of the Company for VAT purposes while gross revenues in the statement of comprehensive income are measured in accordance with the accounting policy.

Zero-rated sales pertain to premiums on insurance policies issued to PEZA-registered entities and other regulatory agencies providing zero-rating and special exemptions.

VAT exempt sales pertain to premiums for accident and health policies.

(ii) Input VAT

Movements in input VAT for the year ended December 31, 2024 follow:

	Amount
Beginning balance	1,995,402
Add: Current year’s domestic purchases/payments for:	
Goods other than for resale or manufacture	120,105
Capital goods subject to amortization	-
Services lodged under cost of goods sold	7,711,324
Commissions for brokers	3,707,146
Services lodged under other accounts	-
Claims for tax credit/refund and other adjustments	(7,922,598)
Ending balance	<u>5,611,379</u>

The above input VAT are presented as part of other assets in the statement of financial position.

(iii) Documentary stamp tax

Documentary stamp taxes paid and accrued for the year ended December 31, 2024 consist of:

	Amount
Insurance policies	251,105,999
Loans	9,750
Others	348,076
	<u>251,463,825</u>

Accrued documentary stamp taxes of P65.33 million as at December 31, 2024 are included within Accrued expenses under Trade and other liabilities in the statement of financial position. The documentary stamp taxes are passed on to policyholders.

(iv) All other local and national taxes

All other local and national taxes for the year ended December 31, 2024 consist of:

	Amount
Fire service taxes	15,520,627
Municipal taxes	5,554,466
Premium tax	401,592
Sanitary, garbage, health fee and fire safety	27,140
Mayor's permit	5,000
	21,508,825

The above local and national taxes are lodged as part of Others under Operating expenses except for premium tax, fire service taxes and municipal taxes which are passed on to policyholders.

(v) Withholding taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31 consist of:

	2024		Total
	Paid	Accrued	
Final withholding tax	62,266,208	1,661,161	63,927,369
Withholding tax on compensation	20,423,284	1,415,792	21,839,076
Expanded withholding tax	18,782,326	1,490,900	20,273,226
Fringe benefit tax	536,099	51,622	587,721
	102,007,916	4,619,475	106,627,392

Accrued withholding taxes are presented as part of Accrued expenses under Trade and other liabilities in the statement of financial position.

(vi) Tax assessments

The company has received a Letter of Authority from the Bureau of Internal Revenue (BIR) for the Year 2022 received on May 29, 2024 covering all internal revenue taxes. The company has submitted all the preliminary requirements and awaiting update from the bureau's examiners. Final Decision on Disputed Assessment was received by the Company on November 07, 2024 and settled deficiency taxes for Value Added Tax and Income Tax amounting to P5.80 million and P14.28 million, respectively, including compromise penalties for the taxable year 2018, which was fully settled in 2024.

The Company's open taxable years are 2024, 2023, 2022 and 2021.

(vii) Tax cases

The company has filed a case before the Court of Tax Appeal docketed as CTA No. 11534 filed on June 20, 2024 versus BIR for the deficiency tax assessment for the year 2017 issued by BIR and currently under mediation process. The parties to the case have signed a Joint Motion to Defer proceeding dated January 10, 2025 to suspend proceedings in the Case for a period of 90 days from January 10, 2025 to April 10, 2025.

The Company did not have transactions that are subject to excise taxes, custom duties and tariff fees.

AIG Philippines Insurance, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2024

Unappropriated Retained Earnings, beginning of the year/period		933,834,637
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	300,000,000	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Deferred tax asset from prior-period	-	300,000,000
<u>Unappropriated Retained Earnings, as adjusted</u>		1,233,834,637
Add/Less: Net Income (loss) for the current year/period	293,036,900	
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	293,036,900

(continued)

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property		
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss		293,036,900
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		-
Depreciation on revaluation increment (after tax)		
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
<i>(continued)</i>		

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	-	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Dividend payments	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(32,888,679)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	2,340,104	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	(30,548,575)
Total Retained Earnings, end of the year/period available for dividend declaration		1,494,584,846

AIG Philippines Insurance, Inc.
Supplementary Schedule of External Auditor Fee-Related Information

December 31, 2024 and 2023

	2024	2023
Total audit fees	2,005,500	2,118,000
Non-audit services fees	-	-
Total audit and non-audit fees	2,005,500	2,118,000