The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: May 08, 2026 07:07:27 PM

Company Information

SEC Registration No.: CS201112886
Company Name: MARSH PHILIPPINES, INC. DOING BUSINESS UNDER THE TRADENAME MARSH PHILIPPINES RISK ADVISERS, INSURANCE AND REINSURANCE BROKERS
Industry Classification: J67010
Company Type: Stock Corporation

Document Information

Document ID: OST105082026811325875
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2025
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

Baroro, Glaiza

From:	eafs@bir.gov.ph
Sent:	Friday, May 8, 2026 6:11 PM
To:	Baroro, Glaiza
Cc:	CARMEN.T.AMACIO@MARSH.COM
Subject:	Your BIR AFS eSubmission uploads were received

Hi MARSH PHILIPPINES INC,

Valid files

- EAFS008091478TCRTY122025-01.pdf
- EAFS008091478AFSTY122025.pdf
- EAFS008091478RPTTY122025.pdf
- EAFS008091478OTHTY122025.pdf
- EAFS008091478ITRTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-4QVPWVQ09K599BJAPXXMT1Q30MSWVXZ22**
Submission Date/Time: **May 08, 2026 06:10 PM**
Company TIN: **008-091-478**

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

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

This is a system-generated e-mail. Please do not reply.

MARSH

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Marsh Philippines, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2025, and 2024, in accordance with the prescribed Philippine Financial Reporting Standards (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.

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.

Navarro Amper & Co., the independent auditor appointed by the Management for the years ended December 31, 2025 and 2024, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report has expressed its opinion on the fairness of presentation upon completion of such audit.

*Signature*____________________
Alan Cheah – Chairman of the Board

*Signature*____________________
Paulino T. Garcia III – Chief Executive Officer

*Signature*____________________
Editha Vargas-Amburgo – Treasurer

Signed this 10th day of April 2026

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City
1634 Taguig, Philippines

Tel: +63 2 8581 9000
www.deloitte.com/ph

BOA/PRC Reg. No. 0004

SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR

To the Board of Directors and Shareholders
MARSH PHILIPPINES, INC.
(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)
20th Floor, Six/NEO Bldg., 5th Avenue corner 26th Street
Bonifacio Global City, Taguig City

Gentlemen:

We have audited the financial statements of Marsh Philippines, Inc. (the "Company") for the year ended December 31, 2025, on which we have rendered the attached report dated April 10, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has only one (1) shareholder owning one hundred (100) or more shares.

Navarro Amper & Co.
BOA/PRC ACR. No. 0004, October 1, 2024; valid until September 22, 2027
SEC ACR 0004-SEC (Group A), December 7, 2021; valid to audit 2021 to 2025 financial statements

Richard S. Fernandez

Richard S. Fernandez
Partner
CPA Certificate No. 0128429
BOA/PRC ACR. No. 0004/P-015, October 1, 2024; valid until September 22, 2027
SEC ACR. 128429-SEC (Group A), November 7, 2025; valid to audit 2025 to 2029 financial statements
BIR ACR. No. 08-002552-091-2023, August 17, 2023; effective until August 16, 2026
TIN 285-911-751
PTR No. A-6751948, January 9, 2026, Taguig City

Taguig City, Philippines
April 10, 2026

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City
1634 Taguig, Philippines

Tel: +63 2 8581 9000
www.deloitte.com/ph

BOA/PRC Reg. No. 0004

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
MARSH PHILIPPINES, INC.
(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)
20th Floor, Six/NEO Bldg., 5th Avenue corner 26th Street
Bonifacio Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marsh Philippines, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2025, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 audits.

Report on Other Legal and Regulatory Requirements

Report on the Supplementary Information Required by the Bureau of Internal Revenue

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 31 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.

Navarro Amper & Co.
BOA/PRC ACR. No. 0004, October 1, 2024; valid until September 22, 2027
SEC ACR 0004-SEC (Group A), December 7, 2021; valid to audit 2021 to 2025 financial statements

Richard S. Fernandez

Richard S. Fernandez
Partner
CPA Certificate No. 0128429
BOA/PRC ACR. No. 0004/P-015, October 1, 2024; valid until September 22, 2027
SEC ACR. 128429-SEC (Group A), November 7, 2025; valid to audit 2025 to 2029 financial statements
BIR ACR. No. 08-002552-091-2023, August 17, 2023; effective until August 16, 2026
TIN 285-911-751
PTR No. A-6751948, January 9, 2026, Taguig City

Taguig City, Philippines
April 10, 2026

MARSH PHILIPPINES, INC.

(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER

	Notes	2025 PHP	*2024* *PHP*
ASSETS			
Current assets			
Cash	6	**615,357,304**	*658,404,419*
Commissions and other receivables - net	7	**1,129,373,791**	*920,893,860*
Due from related parties	16	**467,610,730**	*750,320,976*
Prepayments and other current assets	8	**104,046,389**	*93,364,910*
Total current assets		**2,316,388,214**	*2,422,984,165*
Non-current Assets			
Other receivables - net of current portion	7	**8,621,863**	*3,006,998*
Right-of-use assets - net	11	**61,619,718**	*95,197,440*
Financial assets at fair value through OCI	9	**58,380,349**	*54,880,349*
Property and equipment - net	10	**87,840,739**	*41,345,043*
Goodwill	12	**646,202,828**	*646,202,828*
Intangible assets-net	12	**–**	*142,635*
Retirement benefit assets	15	**25,109,871**	*5,427,466*
Deferred tax assets - net	26	**76,669,067**	*93,788,677*
Other non-current assets	13	**22,710,691**	*22,790,691*
Total non-current assets		**987,155,126**	*962,782,127*
Total assets		**3,303,543,340**	*3,385,766,292*
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	14	**296,285,132**	*262,438,582*
Lease liabilities-current	11	**37,655,355**	*33,630,238*
Due to related parties	16	**349,688,982**	*278,894,568*
Total current liabilities		**683,629,469**	*574,963,388*
Non-current liabilities			
Lease liabilities - net of current portion	11	**34,491,088**	*72,146,443*
Asset retirement obligation	10	**16,408,341**	*15,470,252*
Total non-current Liabilities		**50,899,429**	*87,616,695*
Total liabilities		**734,528,898**	*662,580,083*
Equity			
Share capital	17	**50,000,000**	*50,000,000*
Reserves		**367,075,095**	*364,100,095*
Treasury shares	17	**(346,797,760)**	*(346,797,760)*
Unappropriated retained earnings		**2,498,737,107**	*2,655,883,874*
Total Equity		**2,569,014,442**	*2,723,186,209*
Total liabilities and equity		**3,303,543,340**	*3,385,766,292*

See Notes to Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Notes	2025 PHP	2024 PHP
Revenues	19	**2,282,999,221**	*2,078,693,072*
Cost of services	20	**461,857,567**	*416,228,011*
Gross profit		**1,821,141,654**	*1,662,465,061*
Other income	21	**52,936,146**	*142,907,733*
		1,874,077,800	*1,805,372,794*
Administrative and general expenses	22	**825,753,120**	*799,203,301*
Provision for (Reversal of provision for) expected credit loss	7, 16	**(95,584,509)**	*31,700,056*
Finance costs	10,11,16	**6,255,539**	*8,053,753*
Other expenses	23	**55,389,043**	*16,644,773*
		791,813,193	*855,601,883*
Profit before tax		**1,082,264,607**	*949,770,911*
Income tax expense	25	**274,196,570**	*230,507,880*
Profit for the year		**808,068,037**	*719,263,031*
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss :			
Remeasurement of retirement benefit asset - net of tax	15	**1,683,316**	*(14,446,917)*
Fair value gain (loss) on financial assets at fair value through other comprehensive income - net of tax	9	**2,975,000**	*(3,145,000)*
Other comprehensive income (loss)		**4,658,316**	*(17,591,917)*
Total comprehensive income		**812,726,353**	*701,671,114*

See Notes to Financial Statements.

MARSH PHILIPPINES, INC.

(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)

STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED 31 DECEMBER 2025 AND 2024

			Reserves							
	Notes	Share Capital (Note 17)	Share premium (Note 17)	Share Options	Investments Revaluation reserve	Retained Earnings Appropriation (Note 18)	Total Reserves	Unappropriated Retained Earnings	Treasury Shares (Note 17)	Total
		PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
Balance, 1 January 2024		*50,000,000*	*322,122,244*	*17,204*	*45,105,647*	*500,000,000*	*867,245,095*	*1,557,030,146*	*(346,797,760)*	*2,127,477,481*
Profit for the year		–	–	–	–	–	–	*719,263,031*	–	*719,263,031*
Other comprehensive income										
Remeasurement of retirement benefit asset	15	–	–	–	–	–	–	*(14,446,917)*	–	*(14,446,917)*
Fair value loss on financial assets through OCI	9	–	–	–	*(3,145,000)*	–	*(3,145,000)*	–	–	*(3,145,000)*
Total comprehensive income		–	–	–	*(3,145,000)*	–	*(3,145,000)*	*704,816,114*	–	*701,671,114*
Transactions with owners recognized directly in equity:										
Release of retained earnings' appropriation	18	–	–	–	–	*(500,000,000)*	*(500,000,000)*	*500,000,000*	–	–
Dividends declared and paid	18	–	–	–	–	–	–	*(105,962,386)*	–	*(105,962,386)*
Balance, 31 December 2024		*50,000,000*	*322,122,244*	*17,204*	*41,960,647*	–	*364,100,095*	*2,655,883,874*	*(346,797,760)*	*2,723,186,209*

MARSH PHILIPPINES, INC.

(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)

STATEMENT OF CHANGES IN EQUITY
FOR YEARS ENDED 31 DECEMBER 2025 AND 2024

	Notes	Share Capital (Note 17)	Reserves: Share premium (Note 17)	Reserves: Share Options	Reserves: Investments Revaluation reserve	Reserves: Retained Earnings Appropriation (Note 18)	Reserves: Total Reserves	Unappropriated Retained Earnings	Treasury Shares (Note 17)	Total
		PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
Profit for the year		–	–	–	–	–	–	808,068,037	–	808,068,037
Other comprehensive income										
Remeasurement of retirement benefit asset	15	–	–	–	–	–	–	1,683,316	–	1,683,316
Fair value loss on financial assets through OCI	9	–	–	–	2,975,000	–	2,975,000	–	–	2,975,000
Total comprehensive income		–	–	–	2,975,000	–	2,975,000	809,751,353	–	812,726,353
Transactions with owners recognized directly in equity:										
Dividends declared and paid	18	–	–	–	–	–	–	(966,898,120)	–	(966,898,120)
Balance, 31 December 2025		50,000,000	322,122,244	17,204	44,935,647	–	367,075,095	2,498,737,107	(346,797,760)	2,569,014,442

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Notes	2025 PHP	*2024* *PHP*
Cash Flows from Operating Activities			
Profit before tax		**1,082,264,607**	*949,770,911*
Adjustments for:			
Depreciation and amortization	22	**49,268,369**	*49,193,749*
Provision (reversal of allowance) for expected credit loss	7, 16	**(95,584,509)**	*31,700,056*
Retirement benefit expense	15	**11,862,320**	*9,550,184*
Interest expense	10, 11	**6,255,538**	*8,053,753*
Write-off of fiduciary legacy clean-up	22	**20,575,279**	*–*
Write-off of leasehold improvement	10	**–**	*2,984,950*
Unrealized foreign exchange loss (gain)	23	**6,122,797**	*(35,503,211)*
Interest income	21	**(17,770,588)**	*(9,900,841)*
Operating cash flows before working capital changes		**1,062,993,813**	*1,005,849,551*
Decrease (Increase) in:			
Commissions and other receivables		**(136,028,801)**	*76,582,702*
Prepayments and other current assets		**2,363,301**	*(2,533,129)*
Due from related parties		**2,451,343**	*(6,736,888)*
Increase (Decrease) in:			
Trade and other payables		**(862,875)**	*(78,065,695)*
Due to related parties		**66,597,203**	*124,105,792*
Cash generated from operations		**997,513,984**	*1,119,202,333*
Interest received		**17,770,588**	*9,900,841*
Interest paid on lease liabilities	11	**(5,317,449)**	*(7,169,377)*
Contribution to the retirement plan	15	**(29,300,305)**	*(8,210,493)*
Income taxes paid		**(271,207,845)**	*(258,297,692)*
Net cash from operating activities		**709,458,973**	*855,425,612*
Cash Flows from Investing Activities			
Loan to intercompany	16	**(294,120,069)**	*(578,609,947)*
Collection of loan from intercompany	16	**566,850,043**	*–*
Interest received	16	**16,582,310**	*5,972,913*
Acquisitions of property and equipment	10	**(27,999,940)**	*(17,120,432)*
Refund of rental deposits		**80,000**	*–*
Net cash from (used) in investing activities		**261,392,344**	*(589,757,466)*
Cash Flows from Financing Activities			
Payment of lease liabilities	11	**(33,630,238)**	*(29,923,657)*
Dividend paid	18	**(966,898,120)**	*(105,962,386)*
Cash used in financing activities		**(1,000,528,358)**	*(135,886,043)*
Effect of Exchange Rate Changes		**(13,370,074)**	*(3,714,993)*
Net Increase (decrease) in Cash		**(43,047,115)**	*126,067,110*
Cash at the beginning of the year		**658,404,419**	*532,337,309*
Cash at the end of the year	6	**615,357,304**	*658,404,419*

See Notes to Financial Statements.

1. CORPORATE INFORMATION

Marsh Philippines, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on 23 July 2011 primarily to act or aid in any manner in soliciting, negotiating, procuring of any insurance contract, or in placing risk or in taking out insurance, for compensation, commission or any valuable consideration, as well as to act and aid in any manner in negotiating contracts of reinsurance, or placing risks of effecting reinsurance for any insurance company, and all other acts relative to risk management and various project financing. It started its full operation on 1 September 2011, when it assumed the operations of the old Marsh Philippines, Inc. (MP) whose corporate life expired on 14 June 2004.

The Company secured an insurance, reinsurance and HMO broking license from the Insurance Commission of the Department of Finance which is valid until 31 December 2027.

The Company is a wholly-owned subsidiary of J&H Marsh McLennan Ltd., which is incorporated in Hong Kong, Special Administrative Region of the People's Republic of China. The ultimate Parent Company is Marsh & McLennan Companies, Inc. (MMC), which is incorporated in the United States of America.

The Company's registered address and principal place of business is located at the 20th Floor, Six/NEO Building 5th Avenue corner 26th Street,Bonifacio Global City,1634,Taguig City.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards,which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC),Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and Board of Accountancy (BOA) and adopted by the SEC.

Basis of Preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date,regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of PFRS 16 Leases, share-based payment transactions that are within the scope of PFRS 2 Share-based Payment, and measurements that have some similarities to fair value but are not fair value, such as value in use in PAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest Philippine Peso, except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2025

In the current year, the Company has applied all amendments to PFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after 01 January 2025. Their adoption has not had a material impact on the disclosures or the amounts reported in these financial statements.

New Accounting Standards Effective after the Reporting Period Ended 31 December 2025

There are new and revised PFRS Accounting Standards adopted by the FSRSC but are not yet effective as at 31 December 2025. The Company has not early adopted any of the pronouncements but will adopt those when they become effective.

Among those pronouncements, Management has initially determined that PFRS 18, *Presentation and Disclosure in Financial Statements*, which will be effective for annual period beginning on or after 01 January 2027, is relevant to the Company's financial statements. PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements.

PFRS 18 introduces the following new key requirements:

– present specified categories and defined subtotals in the statement of profit or loss;
– provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and,
– improve aggregation and disaggregation.

The consequential amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7 will become effective when an entity applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

The Management anticipate that the adoption of PFRS 18 will affect the manner the Company is presenting line items and sub-totals within the statement of comprehensive income and would entail Management disclosing meaningful MPMs in the notes to financial statements.

On the other hand, Management does not expect that the adoption of the following pronouncements will have a material impact on the Company's financial statements in future periods:

<u>Effective for annual period beginning or after 01 January 2026</u>

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

<u>Effective for annual period beginning or after 01 January 2027</u>

- PFRS 17, *Insurance Contracts*
- Amendments to PFRS 17, *Insurance Contracts*
- Amendments to PFRS 17, *Insurance Contracts - Initial Application* and PFRS 9, *Financial Information - Comparative Information*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

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

Deferred effectivity

Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

4. MATERIAL ACCOUNTING POLICY INFORMATION

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill arising on an acquisition of a business is measured at cost less any accumulated impairment losses.

Goodwill is not amortized but is reviewed for impairment at least annually. For purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the statements of comprehensive income. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of the relevant cash-generating unit, the amount attributable to goodwill is included in the determination of the profit or loss on disposal.

Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets.

a. Classification of financial assets

The Company classifies its financial assets based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets (comprising cash, commission and other receivables, due from related parties and refundable deposits) are subsequently measured at amortised cost as they are held within a business model whose objective is to collect the contractual cash flows which are solely payments of principal and interest on the principal amount outstanding ("SPPI").

b. Equity instruments designated as at Fair Value through Other Comprehensive Income ("FVOCI")

On initial recognition, the Company may make an irrevocable election on an instrument- by-instrument basis to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination to which PFRS 3 applies.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Club shares held by the Company are classified as equity instruments designated as at FVOCI as disclosed in Note 9.

c. Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ('ECL') on commissions receivable and due from related parties. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. Details about the Company's credit risk management and impairment policies are disclosed in Note 28.

d. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial Liabilities and Equity Instruments

a. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

c. Trade and other payables

Trade and other payables and due to related parties are measured subsequently at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

d. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Treasury shares

a. Repurchase, disposal and reissue of shares capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which include directly attributable cost, net of any tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognized as increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Furniture and equipment	10 years
Motor vehicles	4 years
EDP equipment	3 years
Leasehold improvements	Not greater than the reasonably certain term of the lease on the premises

The estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Leasehold improvement includes partitions, additions, alterations, remodeling or renovations on a leased property (creating smart office, partitions, conference rooms, carpeting, etc.). Long term leasehold improvement projects are to be recorded in the “Construction in progress” account during the period of time the construction is taking place.

The cost of CIP includes the cost of materials and direct labor, as well as other costs directly attributable to bringing the assets to a working condition for their intended use. CIP is not depreciated until the related asset is completed and available for its intended use.

Upon completion of the construction project, reclassification is to be made from “Construction in progress” to “Leasehold Improvements”,after which depreciation commences based on the asset’s estimated useful life.

Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Employee Benefits

Post-employment benefits

a. Defined benefit plan

The Company of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit asset recognized in the statements of financial position represents the actual surplus in the Company's defined benefit plan.

b. Defined contribution plan

The Company maintains a Defined Contribution (DC) plan that covers all regular full-time employees. Under its DC plan, the Company pays fixed contributions based on the employees 'monthly salaries. The Company, however, is covered under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a Defined Benefit (DB) minimum guarantee. The DB minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA 7641.

Accordingly, the Company accounts for its retirement obligation under the higher of the DB obligation relating to the minimum guarantee and the obligation arising from the DC plan.

For the DB minimum guarantee plan, the liability is determined based on the present value of the excess of the projected DB obligation over the projected DC obligation at the end of the reporting period. The DB obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The Company determines the net interest expense (income) on the net DB liability (asset) for the period by applying the discount rate used to measure the DB obligation at the beginning of the annual period to the then net DB liability (asset), taking into account any changes in the net DB liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the DB plan are recognized in profit or loss.

The DC liability, on the other hand, is measured at the fair value of the DC assets upon which the DC benefits depend, with an adjustment for any margin on asset returns where this is reflected in the DC benefits.

Remeasurements of the net DB liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains or losses on the settlement of a DB plan when the settlement occurs.

Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

Sale of services

The Company recognizes revenue from the sale of services. Revenues are derived from two main sources:

a. Commissions

Revenue is recognized when the brokerage services are rendered which is usually on the effective date of the policy. As such, the performance obligation is satisfied at a point in time.

b. Consulting

The Company provides consultancy services such as risk management, risk assessment and claims processing, among others. Such services are recognized as a performance obligation is satisfied over time. Certain fee arrangements meet the criteria for over time accounting. However, using effective date recognition as the measure of progress over time is substantially similar to that of a time based input measure.

Contract Assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets refer to the accrued revenue in Note 7.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Cost of services are expenses incurred that are associated with the services rendered and includes salaries and wages, retirement benefit expenses and other short-term employee benefits. Operating expenses, administrative and general expenses are costs attributable to the administrative, marketing, selling and other business activities of the Company.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease, and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity specific adjustment.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The Company applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of Non-financial Assets" policy.

Foreign Currency Transactions

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post- employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

Taxation

Income tax expense represents the sum of current tax and deferred tax.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using regular corporate income tax (CIT) rate of 25% in 2025 and *2024* or using minimum corporate income tax (MCIT) rate of 2% in 2025 and *2024*.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical Judgments in Applying Accounting Policies

Management is of the opinion that any instances of application of judgements are not expected to have a material effect on the amounts recognized in the financial statements except for:

a. Determining the timing of satisfaction of services performed

The Company determined that the input method is the best method in measuring services rendered because there is a direct relationship between the Company’s effort (i.e., labour hours and operating expenses incurred) and the transfer of service to the customer. Certain fee arrangements meet the criteria for overtime accounting. However, using effective date recognition as the measure of progress over time is substantially similar to that of a time based input measure.

b. Estimation of the lease term

The Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise, or not to exercise, the termination option, including any expected changes in facts and circumstances from the commencement date until the exercise of the date of the option.

The Company entered into mutually agreed lease agreement with an option to extend or pre-terminate. As at 31 December 2025, Management has no intention to extend or pre-terminate the lease contract.

Key Sources of Estimation Uncertainty

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

Estimating loss allowance for ECL

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions.

Commissions and other receivables and due from related parties recognized in the Company's statements of financial position as at 31 December 2025 and *2024* including the related allowance for ECL is disclosed in Note 7 and Note 16.

Impairment of goodwill

Determining whether goodwill is impaired requires estimation of the value of cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cashflows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Management believes that the carrying amount of goodwill as at 31 December 2025 and *2024* is not impaired.

Retirement benefits

The determination of the retirement obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, and expected rate of salary increase. While the Company believes that the assumptions are reasonable and appropriate, significant changes in the assumptions may materially affect the pension and other retirement asset and obligations.

The total retirement expense recognized in 2025 and *2024* including the related retirement benefit liability and retirement benefit asset as at 31 December 2025 and *2024* is disclosed in Note 15.

6. CASH

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	2025	*2024*
	PHP	*PHP*
Cash in banks	**615,357,304**	*658,404,419*

Cash in banks earned average interest of 0.0625% during 2025 and *2024*.

Interest income recognized on the statements of comprehensive income amounted to PHP10,526 and *PHP10,707* in 2025 and *2024*, respectively, as disclosed in Note 21.

7. COMMISSIONS AND OTHER RECEIVABLES - NET

This account consists of:

	2025	*2024*
	PHP	*PHP*
Commissions receivable	**811,394,332**	*565,056,868*
Accrued revenue	**345,396,522**	*497,512,183*
Less: Allowance for ECL	**33,435,825**	*154,524,536*
Commissions receivable - net	**1,123,355,029**	*908,044,515*
Advances and other receivables	**14,640,625**	*15,856,343*
Commission and other receivables -net	**1,137,995,654**	*923,900,858*
Less: Non-current portion of advances and other receivables	**8,621,863**	*3,006,998*
	1,129,373,791	*920,893,860*

The average credit period taken on commissions receivable is 30 days. No interest is charged on past due accounts.

Movements in the allowance for expected credit loss on commissions receivable as at 31 December are as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**154,524,536**	*116,744,065*
Effect of foreign translation	**422,125**	*2,210,478*
Provision for (reversal of provision for) expected credit loss	**(91,346,342)**	*35,569,993*
Write-off of bad debts	**(30,164,494)**	*–*
	33,435,825	*154,524,536*

The provision for (reversal of provision for) expected credit loss is separately presented in the statements of comprehensive income.

In determining the recoverability of commission receivable, the Company considers any change in the credit quality of the commissions receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Management believes that no further credit allowance is required in excess of the amounts already recognized as at 31 December 2025 and *2024*.

Advances and other receivables consist of short-term loans, notes receivable and advances to employees. These also include car loans receivable with a credit term of 5 years and interest rate of 6%. Interest earned on car loans amounted to PHP890,858 and *PHP633,706* in 2025 and *2024*, respectively, as disclosed in Note 21.

	2025	*2024*
	PHP	*PHP*
Employees	**14,546,375**	*9,146,228*
Deferred Input VAT	**–**	*31,745*
Others	**94,250**	*6,678,370*
	14,640,625	*15,856,343*

Certain amounts in the comparative note disclosures have been reclassified to conform to the current year's presentation. The reclassifications include comparative amount of PHP321,247,163 previously presented in the Company's financial statements as part of "Commission Receivable" which has been reclassified to "Accrued Revenue".

Management believes that the above reclassifications would reflect the nature of the transactions and did not have any impact on prior year's profit or loss.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2025	*2024*
	PHP	*PHP*
Prepaid taxes	**96,951,374**	*83,906,594*
Prepayments	**4,433,596**	*5,541,888*
Prepaid insurance and others	**2,661,419**	*3,916,428*
	104,046,389	*93,364,910*

Prepaid taxes pertain to creditable withholding taxes that are expected to be applied against income tax due within twelve (12) months from reporting date.

Short-term prepayments are composed of deferred costs pertaining to compensation and benefits that are related to fulfillment activities of the Company.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI pertain to investments in club shares measured at fair value as at reporting date.

Movements in this account are as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**54,880,349**	*58,580,349*
Fair value adjustment	**3,500,000**	*(3,700,000)*
Balance, 31 December	**58,380,349**	*54,880,349*

In 2025 and *2024*, the fair value adjustment during the year in the statements of comprehensive income is presented as net of deferred tax liability recognized prospectively amounting to a gain of PHP2,975,000 and a loss of *PHP3,145,000,* respectively.

10. PROPERTY AND EQUIPMENT - net

Movements in the carrying amounts of the Company's property and equipment are as follows:

	Furniture and Equipment	**Motor vehicles**	**EDP Equipment**	**Leasehold Improvements**	**CIP Additions**	**Total**
	PHP	**PHP**	**PHP**	**PHP**	**PHP**	**PHP**
Cost						
1 January 2024	*22,642,857*	*4,752,903*	*15,830,089*	*98,728,844*	–	*141,954,693*
Acquisitions	–	–	*8,948,287*	*8,172,145*	–	*17,120,432*
Disposals	–	–	*(8,759,651)*	–	–	*(8,759,651)*
Adjustments	–	–	–	*(2,984,950)*	–	*(2,984,950)*
31 December 2024	*22,642,857*	*4,752,903*	*16,018,725*	*103,916,039*	–	*147,330,524*
Acquisitions	**–**	**–**	**2,176,938**	**334,658**	**59,532,112**	**62,043,708**
31 December 2025	**22,642,857**	**4,752,903**	**18,195,663**	**104,250,697**	**59,532,112**	**209,374,232**

	Furniture and Equipment PHP	Motor vehicles PHP	EDP Equipment PHP	Leasehold Improvements PHP	CIP Additions PHP	Total PHP
Accumulated Depreciation						
1 January 2024	*16,440,280*	*3,417,415*	*13,889,171*	*65,952,781*	–	*99,699,647*
Depreciation	*1,052,778*	*142,715*	*2,047,515*	*11,802,477*	–	*15,045,485*
Disposals	–	–	*(8,759,651)*	–	–	*(8,759,651)*
31 December 2024	*17,493,058*	*3,560,130*	*7,177,035*	*77,755,258*	–	*105,985,481*
Depreciation	**1,051,406**	**142,716**	**2,458,490**	**11,895,400**	–	**15,548,012**
31 December 2025	**18,544,464**	**3,702,846**	**9,635,525**	**89,650,658**	–	**121,533,493**
Carrying Amounts						
31 December 2025	**4,098,393**	**1,050,057**	**8,560,138**	**14,600,039**	**59,532,112**	**87,840,739**
Carrying Amounts						
31 December 2024	*5,149,799*	*1,192,773*	*8,841,690*	*26,160,781*	–	*41,345,043*

Management believes that there is no indication that an impairment loss has occurred on the Company's property and equipment in 2025 and 2024.

The total cost of additions to property and equipment is PHP62,043,708 and.PHP17,120,432 in 2025 and 2024, respectively. Of the total additions made, only PHP27,999,940 and PHP17,120,432 were paid in cash during the year 2025 and 2024, respectively.

The movement of asset retirement provision for the estimated dismantling cost to restore the property to its original condition at the end of lease-term is as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**15,470,252**	*14,585,876*
Interest	**938,089**	*884,376*
	16,408,341	*15,470,252*

11. LEASE COMMITMENTS

The Company has several right-of-use assets including office space. The lease terms are 5 years.

The right-of-use assets and lease liabilities related to the lease arrangements which qualify for the recognition of such under PFRS16 are as follows:

Right of use assets - net

Movements in the carrying amounts of the Company's right-of-use assets are as follows:

	2025	*2024*
	PHP	*PHP*
Cost at 1 January and 31 December	**291,808,248**	*291,808,248*
Accumulated Depreciation		
Balance at 1 January	**196,610,808**	*163,033,086*
Depreciation	**33,577,722**	*33,577,722*
At 31 December	**230,188,530**	*196,610,808*
Carrying Amounts, 31 December	**61,619,718**	*95,197,440*

As at 31 December 2025 and *2024*, Management believes that there is no indication that an impairment loss has occurred on the Company's right-of-use asset.

Lease Liabilities

An analysis of lease liabilities follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**105,776,681**	*135,700,338*
Principal and interest payments	**(38,947,687)**	*(37,093,034)*
Finance cost	**5,317,449**	*7,169,377*
Balance, 31 December	**72,146,443**	*105,776,681*
Less: current portion	**37,655,355**	*33,630,238*
Non-current portion	**34,491,088**	*72,146,443*

Below is the classification of liabilities based on maturity:

	2025	*2024*
	PHP	*PHP*
Amounts due for settlement within 12 months	**40,895,095**	*38,947,688*
Amounts due for settlement after 12 months	**35,427,360**	*76,322,454*
Balance, 31 December	**76,322,455**	*115,270,142*
Less: unamortized interest	**(4,176,012)**	*(9,493,461)*
	72,146,443	*105,776,681*

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

Interest rates underlying all obligations are fixed at respective contract dates of 5.12% in 2025 and *2024*.

Short-term leases

The Company also entered into various short-term leases. The rent expense recognized on these leases amounted to PHP238,946 and *PHP399,927* in 2025 and *2024*, respectively, as disclosed in Note 22.

At 31 December 2025, the Company is committed to PHP238,946 (*2024*: *PHP258,584*) for short-term leases.

12. GOODWILL AND INTANGIBLE ASSETS

On 1 December 2020, JLT was merged to the Company, with the Company as a surviving entity, the Company acquired 100% of the shares of JLT from its parent company on 2 March 2022. Since the fair market value of the net assets of JLT are lower than the purchase price of $20,000,000, the Company recorded the excess as goodwill amounting to PHP646,202,828.

To acquire the shares of JLT, the Company obtained a loan of $20,000,000 from MMC International Treasury Centre Limited. The interest rate is based on US one-year LIBOR. The loan is payable in five (5) years and the Company may prepay the loan.The loan was already fully paid on 28 December 2023.

Included in the assets acquired by the Company from JLT is intangibles with net value of PHP2,472,348.This represents the cost allocated to the acquired customers and key management contracts when JLT acquired iSolve Employee Benefits Consultants, Inc. in 2015.

	Note	**2025**	*2024*
		PHP	*PHP*
Beginning Balance		**142,635**	*713,177*
Amortization	22	**(142,635)**	*(570,542)*
		—	*142,635*

As of 31 December 2025, the intangible asset is fully amortized.

The Company has assessed its intangible assets and believes that there is no indication that an impairment loss has occurred.

13. OTHER NON-CURRENT ASSETS

This account consists of:

	2025 PHP	2024 PHP
Refundable deposits	**21,224,264**	*21,304,264*
Other deposits	**1,486,427**	*1,486,427*
	22,710,691	*22,790,691*

14. TRADE AND OTHER PAYABLES

The details of the Company's trade and other payables are shown below:

	2025 PHP	2024 PHP
Accrued expenses	**167,299,514**	*162,684,506*
Non-trade payables	**79,744,649**	*43,391,427*
VAT payable	**38,360,218**	*36,653,654*
Withholding and other taxes payable	**7,938,536**	*14,107,492*
SSS, Medicare and Pag-ibig payable	**2,640,495**	*1,870,235*
Deferred income	**301,720**	*3,731,268*
	296,285,132	*262,438,582*

Non-trade payables pertain to amount due to third party vendors.

The average credit period on payables is 60 days. No interest is charged on trade and other payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Deferred income pertains to contracts already billed but fulfillment of the service is set at a later date.

Details of accrued expenses are as follows:

	2025 PHP	2024 PHP
Salaries and bonuses	**164,644,093**	*159,711,031*
Professional fees	**2,164,000**	*2,164,000*
Temporary staff cost	**491,421**	*809,475*
	167,299,514	*162,684,506*

15. RETIREMENT BENEFIT PLAN

Requirement of Republic Act (RA) 7641

RA 7641 provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under PAS 19. However, there are instances when an employer establishes a defined contribution plan and does not have an equivalent defined benefit plan covering the benefits required under RA 7641.

An employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

The Company is in compliance with the minimum requirement of RA 7641 as at 31 December 2025 and *2024*, respectively.

Defined Benefit Plan

The Company has assumed the retirement benefit obligations as well as the plan assets of MP including its funded, defined benefit plan for qualified employees. Under the plan, the employees are entitled to retirement benefits of 100% of monthly salary for every year of service.

The Company also has a funded, non-contributory defined benefit plan covering all of the former JLT regular employees hired prior to October 2012. Under the plan, qualified officers and employees are entitled to retirement benefits when they reach the normal retirement of age of 60 years or early retirement age of 50 years and have completed at least 10 years of continuous service. Normal retirement benefits consist of lump sum benefits equivalent to one month's final compensation multiplied by years of credited service and applicable factors as detailed in the plan. The plan also provides early and late retirement (death), disability, voluntary and involuntary separation benefits. The defined benefit cost and contribution to be paid by the Company are determined by an independent actuary.

Defined Contribution Plan

The Company also maintains a defined contribution plan which is accounted for as defined benefit plan with a minimum guarantee equivalent to a certain percentages of the month salary payable to an employee at normal retirement age with a required credited years of service based on provisions of R.A 7641.

Plan assets for both the defined benefit and defined contribution plans are held in trusts, governed by local regulations and practices in the Philippines.

The plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan's investments are in the form of cash equivalents.

Interest rate risk

A decrease in the cash and cash equivalents interest rate will increase the retirement benefit plan obligation, however, this will be partially offset by an increase in the return on the plan's asset.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the retirement benefit obligation.

The assumption used for mortality is the 2017 PICM Mortality Table.

Salary risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the retirement benefit obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation, including comparative information as at *31 December 2024*, were carried out as at 31 December 2025 by an independent actuary in accordance with the requirements of the revised PAS19.

The principal assumptions used in the actuarial valuations are as follows:

	2025	*2024*
Discount rate	**5.75 %**	*6.00 %*
Salary rate increase	**5.00 %**	*5.00 %*

Amounts recognized in the statements of comprehensive income in respect of this defined benefit plan are as follows:

	2025	*2024*
	PHP	*PHP*
Current service cost	**12,540,256**	*11,740,550*
Net interest on the net defined benefit asset	**(677,936)**	*(2,190,366)*
Components of defined benefit costs recognized in profit or loss	**11,862,320**	*9,550,184*
Remeasurements on the net defined benefit asset:		
Loss (gain) on plan assets (excluding amounts included in net interest expense)	**(2,713,596)**	*15,428,379*
Actuarial (gains) and losses:		
from changes in demographic assumptions	**–**	*218,380*
from changes in financial assumptions	**2,089,259**	*(74,176)*
from experience adjustments	**(1,620,084)**	*3,689,973*
Components of defined benefit costs recognized in OCI	**(2,244,421)**	*19,262,556*
	9,617,899	*28,812,740*

The amounts of retirement expense included in the statements of comprehensive income as part of cost of services and operating expenses in 2025 and *2024* are disclosed in Notes 20 and 22, respectively.

The amounts included in the statements of financial position in respect of the Company's defined benefit retirement plan is as follows:

	2025	*2024*
	PHP	*PHP*
Fair value of plan assets	**188,580,112**	*153,251,926*
Present value of defined benefit obligation	**(163,470,241)**	*(147,824,460)*
Retirement benefit asset	**25,109,871**	*5,427,466*

There is no effect of the asset ceiling.

Movements in the present value of the defined benefit obligation are as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**147,824,461**	*124,211,949*
Current service cost	**12,540,256**	*11,740,550*
Interest cost	**8,356,941**	*8,212,330*
Benefits paid	**(5,720,592)**	*(174,545)*
Benefits paid from employer	**–**	*–*
Changes in financial assumption	**2,089,259**	*(74,176)*
Changes in demographic assumption	**–**	*218,380*
Experience adjustments	**(1,620,084)**	*3,689,973*
	163,470,241	*147,824,461*

Movements in the fair value of plan assets were as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**153,251,926**	*150,067,117*
Interest income	**9,034,877**	*10,402,695*
Contributions to the plan by employer	**29,300,305**	*8,210,493*
Benefits paid by the plan	**(5,720,592)**	*–*
Gain (loss) on plan assets (excluding amounts included in net interest expense)	**2,713,596**	*(15,428,379)*
	188,580,112	*153,251,926*

The movement of the remeasurement of the defined benefit costs recognized in other comprehensive income was as follows:

	2025	*2024*
	PHP	*PHP*
Balance, 1 January	**15,287,111**	*840,194*
Remeasurement during the year	**(2,244,421)**	*19,262,556*
Deferred tax adjustments	**561,105**	*(4,815,639)*
	(1,683,316)	*14,446,917*
	13,603,795	*15,287,111*

The assets of the plan are held separately from those of the Company in funds administered by a trustee bank that is legally separate from the Company.

The plan asset of the Company is composed only of cash equivalents pertaining to time deposits with a local bank.

Actual return on plan assets during 2025 and *2024* amounted to PHP11,748,473 and *PHP(5,025,584)* respectively.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2025		*2024*	
	Change in Assumption	**Increase (Decrease) on Retirement Benefit Obligation**	*Change in Assumption*	*Increase (Decrease) on Retirement Benefit Obligation*
	PHP	**PHP**	*PHP*	*PHP*
Discount rate	+ 100 basis points	**(7,994,579)**	+ 100 basis points	*(7,433,589)*
	-100 basis points	**8,960,209**	-100 basis points	*8,352,264*
Salary increase rate	+ 100 basis points	**8,941,449**	+ 100 basis points	*8,355,804*
	-100 basis points	**(8,119,882)**	-100 basis points	*(7,567,395)*
Attrition rate	125% of attrition rates	**(4,092,861)**	125% of attrition rates	*(3,280,229)*
	75% of attrition rates	**5,151,435**	75% of attrition rates	*4,098,940*

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analyses, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analyses from prior years. Further, there has been no change in the process used by the Company to manage its risks from prior periods. The Retirement Plan trustee has no specific asset-liability matching strategy between the plan assets and liabilities.

The Company's best estimate of contribution for the next year is PHP12,713,820.

The demographic information of the Company's qualified employees are as follows:

	2025	*2024*
Average age	**35.81**	*39.435*
Average years of service	**5.44**	*8.36*

The estimated duration of the benefit obligation is 4.99 years.

16. RELATED PARTY TRANSACTIONS

The summary of the Company's transactions and outstanding balances with related parties as at and for the year ended 31 December 2025 is as follows:

		Outstanding Balance				
Nature of Transaction	**Transactions During the Year**	**Due from**	**Due to**	**Terms**	**Conditions**	**Ref**
	PHP	**PHP**	**PHP**			
Fellow Subsidiaries						
Regional charges	**348,174,881**	**–**	**263,395,734**	Non-interest, to be settled in cash, payable on demand	Unsecured, unguaranteed	16.1
Recovery of costs	**27,780,231**	**27,817,857**	**–**	Non-interest to be collected in cash, payable on demand	Unsecured, unguaranteed, no impairment	16.1
Rental & Other Recharges	**5,238,387**	**3,230,412**	**–**	Non-interest, to be collected in cash, 30 days	Unsecured, unguaranteed, no impairment	16.2
Revenue Accruals/NPT/ MGC	**277,118,036**	**142,155,498**	**83,145,156**	Non-interest, to be collected in cash, payable on demand	Unsecured, unguaranteed, with impairment	16.3
Loan Amount (Principal)	**294,120,069**	**294,120,069**	**–**	Interest bearing, to be collected in cash, balance payable upon maturity	Secured, guaranteed	*16.5*

Nature of Transaction	Transactions During the Year	Outstanding Balance Due from	Due to	Terms	Conditions	Ref
Interest Income	**16,869,204**	**286,894**	**–**	Non-interest,to be collected in cash, payable on demand	Secured, guaranteed	*16.5*
Royalty	**26,046,597**	**–**	**3,148,092**	Non-interest, to be collected in cash, payable on demand	Unsecured, unguaranteed	16.4
		467,610,730	**349,688,982**			
Retirement Fund Contribution	**29,300,305**	**–**		Not applicable	Not applicable	15

The summary of the Company's transactions and outstanding balances with related parties as at and for the year ended 31 December 2024 is as follows:

Nature of Transaction	*Transactions During the Year*	*Outstanding Balance Due from*	*Due to*	*Terms*	*Conditions*	*Ref*
	PHP	*PHP*	*PHP*			
Fellow Subsidiaries						
Regional charges	*339,705,142*	*–*	*230,084,961*	Non-interest, to be settled in cash, payable on demand	Unsecured, unguaranteed	16.1
Recovery of costs	*82,358,738*	*8,970,722*	*–*	Non-interest to be collected in cash, payable on demand	Unsecured, unguaranteed, no impairment	16.1
Rental & Other Recharges	*11,165,953*	*976,567*	*–*	Non-interest, to be collected in cash, 30 days	Unsecured, unguaranteed, no impairment	16.2
Revenue Accruals/NPT/ MGC	*396,077,181*	*158,480,225*	*39,483,311*	Non-interest, to be collected in cash, payable on demand	Unsecured, unguaranteed, with impairment	16.3
Loan Amount (Principal)	*578,609,947*	*578,609,947*	*–*	Interest bearing, to be collected in cash, balance payable upon maturity	Secured, guaranteed	16.5
Interest Income	*9,256,428*	*3,283,515*	*–*	Non-interest, to be collected in cash, payable on demand	Secured, unguaranteed	16.5

Nature of Transaction	*Transactions During the Year*	*Outstanding Balance*		*Terms*	*Conditions*	*Ref*
		Due from	*Due to*			
Royalty	*16,644,773*	–	*9,326,296*	Non-interest, to be collected in cash, payable on demand	Unsecured, unguaranteed	16.4
		750,320,976	*278,894,568*			
Retirement Fund Contribution	*8,210,493*			Not applicable	Not applicable	15

Details of the Company's related party transactions are as follows:

1. Transactions with related parties include commission sharing, recovery of costs, and reimbursements of allocated share of expenses to and from fellow subsidiaries.

   Total regional charges amounted to PHP*348,174,881* and *PHP339,705,142* in 2025 and *2024*, respectively, and were recognized under operating expenses, as disclosed in Note 22. Meanwhile, recovery of costs from fellow subsidiaries amounted to PHP27,780,231 and *PHP82,358,738* in 2025 and *2024*, respectively, as disclosed in Note 21.

2. The Company allocates portion of its rent expense to Mercer Philippines, Inc. (Mercer) representing the office space it occupies. In October 2012, Mercer entered into a sublease agreement with the Company for a period of five years beginning 1 October 2017 up to 30 September 2024 for a rental fee equivalent to the allocated amount of the actual rent payments made by the Company every year.

   The agreement was renewed for another period of five years beginning 1 October 2024 up to 30 September 2029. Total allocated rent and other charges reimbursed to the Company in 2025 and *2024* amounted to PHP5,238,387 and *PHP5,685,406* respectively, as disclosed in Note 21.

3. The Company accrues revenue related to consulting services provided to the related parties, including co-sharing of fees. Below is the movement of ECL on related party receivables.

	2025	*2024*
	PHP	*PHP*
Opening, 1 January	**66,939,952**	*70,809,889*
Allowance for (reversal of allowance) for ECL	**(4,238,167)**	(3,869,937)
Closing, 31 December	**62,701,785**	*66,939,952*

4. The Company records royalty expense due to the use of (1) Global Benefits Management Analytics, a workflow tool that allows the Company to view and handle global health and benefits renewal, at a rate of 2% of the related-revenue being charged by Marsh & McLennan Innovation Centre based in Ireland; (2) Blue [i] Intangibles related to the design, development and distribution of the Blue [i] suite. As consideration for the use of Blue [i] Intangibles, the Company will pay an arm’s length compensation in accordance with Marsh and Mclennan agreement specific Transfer Pricing Guidance and Procedures Memorandum; and (3) a service offering Software “Darwin” - “SaaS Services” which provide services related to on-boarding and/or support services to customers. The SaaS License Fee is per employee per annum fees which covers the continuous development, governance and investment into Darwin including software released, bug fixes, incident management, hosting and infrastructure.

5. In August 2024 the Company provided a USD7,500,000 (PHP422,512,598) short term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The loan was issued to manage the excess fund within the group. The 3 months loan matured 20 November 2024, with interest rate based on 5.423560% USD RFR (Term Forward) SOFR 3M + 0.3218%. Total payments received in 2024 of USD103,917 (PHP5,972,913) interest income only. In November 2024 the principal of USD7,500,000 plus an additional of USD2,500,000 totaling USD10,000,000 (PHP578,609,947) was roll over for another short-term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The loan was re-issued to manage the excess fund within the group. The 6 months loan matured on 20 May 2025, with interest rate based on 4.982780 % USD RFR (Term Forward) SOFR 6M + 0.5490% has earned interest of USD250,523 (PHP13,944,119) as interest income.

On 21 May 2025, the Company decided to roll over USD1,000,000 short-term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The loan was issued to manage the excess fund within the group. The 6 months loan matured on 23 October 2025, with interest rate based on 4.2694700 % 6M RFR (Term Forward) + 0.6387% and earned interest in 2025 of USD21,132 (PHP1,212,558) as interest income. In July 2025 the Company provided a USD5,000,000 short term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The loan was issued to manage the excess fund within the group. The 3 months loan matured 23 September 2025, with interest rate based on 4.2983300% 3M RFR (Term Forward) + 0.4886%. The interest earned is USD55,848 (PHP3,204,480). In Sep 2025 the principal of USD5,000,000 (PHP578,609,947) was rolled over for another short-term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The 1 month loan maturing 23 October 2025, with interest rate based on 4.15791 % USD RFR (Term Forward) SOFR 1M + 0.2494% has earned interest in 2025 of USD18,364 (PHP1,053,698) as interest income.

On 23 December 2025, the Company provided a USD5,000,000 short-term loan to Marsh McLennan International Treasury Services Pte. Ltd incorporated in Singapore. The 1 month loan maturing 23 January 2026, with interest rate based on 3.73173 % USD RFR (Term Forward) SOFR 1M + 0.17% has earned interest in 2025 of USD4,877 (PHP279,847) as accrued interest income.

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Company is set out below in aggregate for each of the categories specified in PAS24, Related Party Disclosures-.

	2025	*2024*
	PHP	*PHP*
Salaries and other short-term employee benefits	**98,851,707**	*94,760,190*
Retirement cost	**3,224,466**	*2,506,263*
	102,076,173	*97,266,453*

17. SHARE CAPITAL

The Company has one class of common shares that carry voting rights but no right to fixed income.

Details about the Company's authorized and issued share capital as at 31 December 2025 and *2024* are as follows:

	Number of Shares	**Ordinary Share Capital**	**Share Premium**	**Treasury Shares**
		PHP	**PHP**	**PHP**
Authorized:	**10,000,000**	**100,000,000**	–	–
Issued and fully paid:				
Balance at 1 January 2024 and 31 December 2024 and 2025	*5,000,000*	*50,000,000*	*322,122,244*	*(346,797,760)*
Issued and fully paid, 1 January 2024 and 31 December 2024 and 2025	**5,000,000**	**50,000,000**	**322,122,244**	**(346,797,760)**

The Company recognized treasury shares amounting to PHP346,797,760 to record reacquisition of shares booked as treasury shares.

18. RETAINED EARNINGS

As the Company has already settled the loan with MMC International Service Center in 28 December 2023, the Board authorized the release of PHP500,000,000 on 8 April 2024 as the appropriation is no longer necessary.

Dividend declared and paid amounted to PHP966,898,120 and *PHP105,962,386* for 2025 and 2024, respectively.

On 08 April 2025, the Board of Directors approved a plan to address the issue of excess retained earnings through a stock dividend declaration, with implementation to follow upon receipt of necessary approval from regulatory agencies.

19. REVENUES

The Company's revenues consist of:

	2025	2024
	PHP	PHP
Commissions	1,747,846,558	1,377,859,704
Consulting	535,152,663	700,833,368
	2,282,999,221	2,078,693,072

The Company earns revenue from consultancy services like risk management, risk assessment and insurance packaging among others. Other services include claims processing and clients’ employee benefits.

20. COST OF SERVICES

The Company's cost of services consist of:

	Notes	2025	2024
		PHP	PHP
Salaries and wages	24	416,031,632	366,172,958
Other short-term employee benefits	24	40,115,260	42,910,471
Retirement expense	15, 24	5,710,675	7,144,582
		461,857,567	416,228,011

21. OTHER INCOME

This account consists of:

	Notes	2025	2024
		PHP	PHP
Recovery of costs	16	27,780,231	82,358,738
Foreign exchange gain - net		–	37,768,902
Rental and other charges	16	5,238,387	11,165,953
Interest	6, 7,16	17,770,588	9,900,841
Miscellaneous		2,146,940	1,713,299
		52,936,146	142,907,733

Miscellaneous income pertains to other income earned outside the normal course of Company's business such as sale of assets not accounted for as property and equipment, and others.

Components of foreign exchange gain - net in 2025 and 2024 are as follows:

	2025	2024
	PHP	PHP
Realized foreign exchange gains	–	8,152,352
Realized foreign exchange loss	–	(5,886,660)
Unrealized foreign exchange gains	–	100,856,448
Unrealized foreign exchange loss	–	(65,353,238)
	–	37,768,902

22. ADMINISTRATIVE AND GENERAL EXPENSES

The Company's operating expenses consist of:

	Notes	2025 PHP	*2024 PHP*
Regional charges	16	**348,174,881**	*339,705,142*
Salaries and wages	24	**212,312,033**	*217,937,278*
Depreciation and amortization	10,11,12	**49,268,369**	*49,193,749*
Other employee benefits	24	**35,522,305**	*41,516,521*
Professional fees		**26,505,496**	*34,449,754*
Repairs and maintenance		**27,705,224**	*18,566,622*
Transportation and travel		**16,248,493**	*14,885,054*
Communications		**13,692,998**	*16,390,612*
Taxes and licenses		**12,952,698**	*14,062,257*
SSS, Medicare and Pag-ibig		**11,005,517**	*8,301,558*
Light and water		**9,209,178**	*10,466,180*
Office services		**8,960,742**	*4,255,725*
Retirement expense	15,24	**6,151,645**	*2,405,602*
Representation and entertainment		**6,994,253**	*8,113,481*
Meetings and seminars		**4,684,620**	*4,563,064*
Subscription and dues		**4,163,582**	*3,286,180*
Insurance		**3,288,071**	*2,739,630*
Advertising		**695,129**	*392,981*
Bank charges		**537,890**	*430,280*
Rent	11	**238,946**	*399,927*
Stationery and supplies		**187,950**	*729,807*
Miscellaneous expense		**27,253,100**	*6,411,897*
		825,753,120	*799,203,301*

Miscellaneous expense is composed of other expenses such as director's fees, payment charges to suppliers, gifts to employees and non-employees. Miscellaneous expense also includes the write off of legacy fiduciary balance of BOSS/JLT and IBMS amounting to PHP20,575,279.

23. OTHER EXPENSES

The account consists of:

	Note	2025 PHP	*2024 PHP*
Royalty	16	**26,046,597**	*16,644,773*
Surcharge,interest and penalty		**15,329,197**	–
Foreign exchange loss - net		**14,013,249**	–
		55,389,043	*16,644,773*

Components of foreign exchange loss - net are as follows:

	2025	*2024*
	PHP	*PHP*
Realized foreign exchange gains	**(7,476,886)**	–
Realized foreign exchange loss	**15,367,338**	–
Unrealized foreign exchange gains	**(74,288,381)**	–
Unrealized foreign exchange loss	**80,411,178**	–
	14,013,249	–

24. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised of:

	Notes	**2025**	*2024*
		PHP	*PHP*
Salaries and wages	20,22	**628,343,665**	*584,110,236*
Other short-term employee benefits	20,22	**75,637,565**	*84,426,992*
Retirement expense	15,20,22	**11,862,320**	*9,550,184*
		715,843,550	*678,087,412*

25. INCOME TAXES

Components of income tax expense (benefit) charged to profit or loss are as follows:

	2025	*2024*
	PHP	*PHP*
Current tax expense		
Provision for current income tax	**255,786,690**	*239,103,294*
Under provision of prior year tax	**2,376,375**	–
	258,163,065	*239,103,294*
Deferred tax		
Movement in deferred tax asset/liabilities	**16,033,505**	*(8,595,414)*
	274,196,570	*230,507,880*

The reconciliation between tax expense and the product of accounting profit is as follows:

	2025	*2024*
	PHP	*PHP*
Accounting profit before tax	**1,082,264,607**	*949,770,911*
Tax expense at 25%	**270,566,152**	*237,442,728*
Tax effects of:		
Non deductible expenses (non-taxable income)	**1,256,675**	*(6,932,171)*
Interest income subject to final tax	**(2,632)**	*(2,677)*
Under provision of prior year tax	**2,376,375**	–
	274,196,570	*230,507,880*

26. DEFERRED TAXES - net

The following are the composition of deferred taxes recognized by the Company:

	1 January 2024	*Charged to Profit or Loss*	*Charged to OCI*	*31 December 2024*	**Charged to Profit or Loss**	**Charged to OCI**	**31 December 2025**
	PHP	*PHP*	*PHP*	*PHP*	**PHP**	**PHP**	**PHP**
Deferred Tax Assets:							
Expected credit loss	*46,888,488*	*8,477,634*	*–*	*55,366,122*	**(31,331,718)**	**–**	**24,034,404**
Accrued salaries and bonuses	*38,722,910*	*1,204,847*	*–*	*39,927,757*	**1,233,268**	**–**	**41,161,025**
Other provision	*1,203,551*	*–*	*–*	*1,203,551*	**(605,068)**	**–**	**598,483**
Unrealized foreign exchange loss	*8,766,418*	*16,338,309*	*–*	*25,104,727*	**(5,001,932)**	**–**	**20,102,795**
Lease Liability	*33,925,084*	*(7,480,914)*	*–*	*26,444,170*	**(8,407,559)**	**–**	**18,036,611**
Interest penalty	*1,338,662*	*–*	*–*	*1,338,662*	**–**	**–**	**1,338,662**
Excess of annual normal funding cost over actual contribution	*(8,245,063)*	*5,106,926*	*4,815,639*	*1,677,502*	**5,161,069**	**(561,105)**	**6,277,466**
Asset Retirement Obligation (ARO) (Liability)	*3,646,469*	*221,094*	*–*	*3,867,563*	**234,522**	**–**	**4,102,085**
	126,246,519	*23,867,896*	*4,815,639*	*154,930,055*	**(38,717,418)**	**(561,105)**	**115,651,532**

	1 January 2024	Charged to Profit or Loss	*Charged to OCI*	*31 December 2024*	**Charged to Profit or Loss**	**Charged to OCI**	**31 December 2025**
	PHP	*PHP*	*PHP*	*PHP*	**PHP**	**PHP**	**PHP**
Deferred Tax Liability							
Unrealized foreign exchange gain	*(6,966,336)*	*(25,214,112)*	*–*	*(32,180,448)*	**13,608,353**	**–**	**(18,572,095)**
Right of Use asset	*(32,193,791)*	*8,394,431*	*–*	*(23,799,360)*	**8,394,430**	**–**	**(15,404,930)**
Retirement Obligation (ARO) (Asset)	*(3,423,769)*	*1,547,199*	*–*	*(1,876,570)*	**681,130**	**–**	**(1,195,440)**
Fair Value gain on financial asset	*(3,840,000)*	*–*	*555,000*	*(3,285,000)*	**–**	**(525,000)**	**(3,810,000)**
	(46,423,896)	*(15,272,482)*	*555,000*	*(61,141,378)*	**22,683,913**	**(525,000)**	**(38,982,465)**
	79,822,623	*8,595,414*	*5,370,639*	*93,788,677*	**(16,033,505)**	**(1,086,105)**	**76,669,067**

27. FAIR VALUE INFORMATION

Financial assets measured at fair value on a recurring basis.

The fair value of the financial assets at FVOCI as at 31 December 2025 and *2024*, amounting to PHP58,380,349 and *PHP54,880,349*, respectively, was determined based on Level 1 valuation using the quoted prices of the club shares as at reporting date.

Financial assets and liabilities not measured at fair value

The carrying amounts and fair values of the Company's financial assets and financial liabilities are shown below:

	2025		*2024*	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	PHP	**PHP**	*PHP*	*PHP*
Financial Assets				
Cash	**615,357,304**	**615,357,304**	*658,404,419*	*658,404,419*
Commission and other receivables-net	**1,137,995,654**	**1,137,995,654**	*923,869,113*	*923,869,113*
Due from related parties	**467,610,730**	**467,610,730**	*750,320,976*	*750,320,976*
Refundable deposits	**21,224,264**	**21,224,264**	*21,304,264*	*21,304,264*
	2,242,187,952	**2,242,187,952**	*2,353,898,772*	*2,353,898,772*
Financial Liabilities				
Trade and other payables	**247,044,163**	**247,044,163**	*206,075,933*	*206,075,933*
Due to related parties	**349,688,982**	**349,688,982**	*278,894,568*	*278,894,568*
Asset retirement obligation	**16,408,341**	**16,408,341**	*15,470,252*	*15,470,252*
	613,141,486	**613,141,486**	*500,440,753*	*500,440,753*

The commission and other receivables include non-current portion of advances to employees, which pertains to car loans receivable with a credit term of 5 years. The commission and other receivables exclude deferred Input VAT that is not considered financial assets.

Trade and other payables are net of taxes and other government related payables and deferred income that are not considered financial liabilities.

Due to their short-term maturities, Management believes that the carrying amounts of cash, commissions and other receivables - net, due from and to related parties and trade and other payables approximate their fair values.

The impact of discounting refundable deposits is not material, hence, their carrying amounts are also considered their fair values

There were no transfers to other levels during the year.

28. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk (which includes foreign exchange risk, and fair value interest rate risk), credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Company's policies and objectives in managing these risks are summarized below:

Foreign currency exchange risk

Foreign currency exchange risk arises when an investment's value changes due to changes in currency exchange rate. Foreign exchange risk also arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in US dollar, hence, it is exposed to exchange rate fluctuations with respect to transactions denominated in such currency. Significant fluctuation in the exchange rate could significantly affect the Company's financial position. The Company has no established policy in managing foreign exchange rate risk. Any favourable or unfavourable movements of foreign currency exchange rates are absorbed by the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

	2025	*2024*
	PHP	*PHP*
Cash	**173,646,897**	*423,578,569*
Commission and other receivables- net	**462,707,006**	*69,409,510*
Due from related parties	**305,422,081**	*605,218,384*
Trade and other payables	**(42,221,699)**	*(52,518,441)*
Due to related parties	**(266,223,065)**	*(191,706,683)*
	633,331,220	*853,981,339*

If the foreign exchange rate had been higher or lower by 0.42% than the prevailing exchange rates at the end of the year based on observed volatilities of such currency during the year, the Company's profit for the years ended 31 December 2025 and *2024* would have changed as shown in the table below. The sensitivity rates represent Management's assessment of the reasonably possible change in foreign exchange rates and the analysis includes only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit when the Philippine peso strengthens by the above rates against the relevant currency. For a depreciation of the Philippine peso against the relevant currency, there would be an equal and opposite impact on profit for the year.

	Effect on Profit or Loss	
	2025	*2024*
	PHP	*PHP*
Cash	**(729,317)**	*(1,779,030)*
Commission and other receivables- net	**(1,943,369)**	*(291,520)*
Due from related parties	**(1,282,773)**	*(2,541,917)*
Trade and other payables	**177,331**	*220,577*
Due to related parties	**1,118,137**	*805,168*
	(2,659,991)	*(3,586,722)*

In Management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash, car loans, and intercompany loans. The interest rates on cash and car loans are disclosed in Notes 6. These balances are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the net profit of the Company.

No sensitivity analysis is prepared as the management believes the impact is not material.

Credit risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and when appropriate, credit guarantee insurance cover is purchased.

The Company does not have significant credit risk exposure to any single counterparty. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize credit risk, the Company has tasked its credit management committee to develop and maintain the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis of recognizing ECL**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12m ECL
Doubtful	Amount is >120 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL- credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The table below details the credit quality of the Company's financial assets and other items, as well as the Company's maximum exposure to credit risk by credit risk rating grades for 2025 and *2024*, respectively:

2025	**Note**	**External credit rating**	**Internal credit rating**	**12m or lifetime ECL?**	**Gross carrying amount**	**Loss allowance**	**Net Carrying amount**
					PHP	**PHP**	**PHP**
Cash	6	N/A	Performing	12m ECL	**615,357,304**	**–**	**615,357,304**
Commission receivable/ accrued revenue	7	N/A	(i)	Lifetime ECL-not credit impaired (simplified approach)	**1,156,790,854**	**(33,435,825)**	**1,123,355,029**
Other Receivables	7	N/A	Performing	12m ECL	**14,640,625**	**–**	**14,640,625**

2025	**Note**	**External credit rating**	**Internal credit rating**	**12m or lifetime ECL?**	**Gross carrying amount**	**Loss allowance**	**Net Carrying amount**
					PHP	**PHP**	**PHP**
Due from related parties	16	N/A	(i)	Lifetime ECL-not credit impaired (simplified approach)	**235,905,552**	**(62,701,785)**	**173,203,767**
Due from related parties - loan receivables	16	N/A	Performing	12m ECL	**294,406,963**	**–**	**294,406,963**
Refundable deposits	13	N/A	Performing	12m ECL	**21,224,264**	**–**	**21,224,264**
					2,338,325,562	**(96,137,610)**	**2,242,187,952**

2024	*Note*	*External credit rating*	*Internal credit rating*	*12m or lifetime ECL?*	*Gross carrying amount*	*Loss allowance*	*Net Carrying amount*
					PHP	*PHP*	*PHP*
Cash	6	N/A	Performing	12m ECL	*658,404,419*	*–*	*658,404,419*
Commission receivable/ accrued revenue	7	N/A	(i)	Lifetime ECL-not credit impaired (simplified approach)	*1,062,569,051*	*(154,524,536)*	*908,044,515*
Other Receivables	7	N/A	Performing	12m ECL	*15,824,598*	*–*	*15,824,598*
Due from related parties	16	N/A	(i)	Lifetime ECL-not credit impaired (simplified approach)	*235,367,466*	*(66,939,952)*	*168,427,514*
Due from related parties	16	N/A	Performing	12m ECL	*581,893,462*	*–*	*581,893,462*
Refundable deposits	13	N/A	Performing	12m ECL	*21,304,264*	*–*	*21,304,264*
					2,575,363,260	*(221,464,488)*	*2,353,898,772*

(i) The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions

(ii) Cash - As part of Company's policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk ratings or from the Company's internal credit grading that takes into consideration its banking relationship and activities with its depository banks.

(iii) Refundable deposits - The Company considers its credit risk for refundable deposits with its lessors to be negligible considering its continuing business relationships with the counterparties and the absence of any historical experience indicating that the counterparties will unlikely settle their obligations as the deposits are refunded by the Company.

(iv) Loan receivables - The Company entered into a loan agreement with a related party. The term of the agreement is only 6 months or short-term. These receivables have low credit risk as these have been historically settled on time.

Liquidity risk

Liquidity risk arises when the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company maintains adequate highly liquid assets in the form of cash to assure necessary liquidity.

All financial liabilities in 2024 and 2025 are repayable on demand or due within 1 year from the end of the reporting period, except for lease liabilities as at 31 December 2024 and 31 December 2025 respectively.

29. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of total debt, and equity attributable to the shareholders comprising of share capital, reserves and retained earnings.

The Company's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risk associated with each class of capital.

The gearing ratio at year-end was as follows:

	2025	*2024*
	PHP	*PHP*
Debt	**734,528,898**	*662,580,083*
Equity	**2,569,014,442**	*2,723,186,209*
Debt to equity ratio	**0.29:1**	*0.24:1*

The Company is compliant with IC's requirement of the minimum paid-up capital of PHP50,000,000 for Insurance and Reinsurance broker companies.

30. EVENTS AFTER THE REPORTING PERIOD

As part of MMC legal entity optimization program, on-going transfer of ownership and shares from J&H Marsh & McLennan Limited to Marsh & McLennan Regional Holdings, Limited (MMRHL). Certificate of registration of MMRHL is expected to receive in 2026.

31. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATION NO. 15-2010

The following supplementary information is presented for purposes of filing with the BIR and is not required part of the basic financial statements.

Output VAT-

Details of the Company's output VAT declared during 2025 are as follows:

	Vatable PHP	Zero-Rated PHP	Vat Exempt PHP	Total PHP
Revenue	1,997,583,647	533,105,423	–	2,530,689,070
Output Vat Rate	12 %	– %	–	–
	239,710,038	**–**	**–**	**239,710,038**

Zero-rated transactions pertain mainly to commissions from clients based outside of the Philippines and from clients who have PEZA or VAT exempt certifications.

Input VAT

Details of the Company's input VAT claimed during 2025 are as follows:

	PHP
Balance, 1 January	**–**
Current year's domestic purchases/payments for:	
Services	**34,041,975**
Services rendered by non-residents	**5,652,827**
Goods	**2,322,071**
Amortization of deferred input VAT	**31,744**
Total available input VAT	**42,048,617**
Application	**(42,048,617)**
Balance, 31 December	**–**

Other taxes and licenses

Details of the Company's other taxes and licenses and permit fees paid or accrued during 2025 are as follows:

	PHP
Business permit and registration	**12,070,472**
Real Estate and Other Property Taxes	**882,225**
	12,952,697

Withholding taxes -

Details of the Company's withholding taxes paid or accrued during 2025 is as follows:

	PHP
Withholding tax on compensation and benefits	**111,012,499**
Expanded withholding taxes	**13,055,550**
Fringe benefit taxes	**5,406,957**
Final withholding taxes	**152,164,255**
Final withholding VAT	**3,422,178**
	285,061,439

Deficiency tax assessment/cases

For tax audit of taxable year 2019 the Company received the Final Assessment Notice amounting to PHP294,881,672 last 12 September 2023. The Company has filed Request for Reinvestigation last 11 October 2023 and submitted subsequent supporting documents on 11 December 2023, awaiting feedback from the BIR. The Company recognized provision for this assessment amounting to PHP16,925,091. The Company received

Final Decision on Disputed Assessment (FDDA) last 09 August 2024 amounting to PHP304,342,632 inclusive of interest and surcharges. The Company has filed Petition for Review to the Court of Tax Appeal last 05 September 2024.

For tax audit of taxable year 2021, the Company had reached a settlement with BIR and the agreed amount of settlement is PHP19,905,353. The company made partial payment amounting to PHP12,619,526 on last 14 November 2025. Due to change in leadership in the BIR, the Company is still awaiting the signal to proceed with the balance and final payment.

For tax audit of taxable year 2022 on 03 April 2024, the Company received Letter of Authority for the audit of all taxes. The Company received Notice of Demand (NOD) last 03 September 2025 amounting to PHP809,424,788. In response, the Company filed Protest Letter on last 03 October 2025. The Company received Preliminary Assessment Notice (PAN) amounting to PHP632,775,997 on last 22 October 2025. The Company has responded to the PAN last 06 November 2025.

For Local Business Tax (LBT) audit of TY2019-2022 by Local Government Unit (LGU) the Company received Notice of Assessment last 07 October 2024 amounting to PHP38,142,406. The Company filed its Protest Letter with the LGU on 06 December 2024. Last 22 January 2025, the Company received Denial Letter for the Protest filed last December. The Company filed Petition for Review with the Regional Trial Court on 21 February 2025. The Pre-Trial conference was schedule 28 August 2025. During the Pre-Trial conference, the following dates was scheduled (1) 29 September 2025 Mediation Proceedings, (2) 05 November 2025 Pre-Marking of Exhibits and (3) 29 January 2026 Continuation of Pre-Trial Conference. The hearing scheduled on 29 January 2026 was moved to 14 May 2026.

For Local Business Tax (LBT) audit of TY2023-2025 by Local Government Unit (LGU) the Company received Notice of Assessment (NOA) last 16 July 2025. Initial documents were provided last 30 July 2025.

32. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 26 March 2026 for issuance on 10 April 2026. There were no significant events that occured, requiring adjustment or disclosure, from the date of approval of the financial statements up to issuance date on 10 April 2026.

Navarro Amper & Co.
Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City
1634 Taguig, Philippines

Tel: +63 2 8581 9000
www.deloitte.com/ph

BOA/PRC Reg. No. 0004

INDEPENDENT AUDITOR'S REPORT ON RECONCILIATION OF COMPANY'S RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

To the Board of Directors and Shareholders
MARSH PHILIPPINES, INC.
(A Wholly Owned Subsidiary of J&H Marsh McLennan Ltd., a Hong Kong Company)
20th Floor, Six/NEO Bldg., 5th Avenue corner 26t Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Marsh Philippines, Inc. (the "Company") as at December 31, 2025 and 2024 and for the years then ended, and have issued our report thereon dated April 10, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Reconciliation of Company's Retained Earnings Available for Dividend Declaration is the responsibility of the management. This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.
BOA/PRC ACR. No. 0004, October 1, 2024; valid until September 22, 2027
SEC ACR 0004-SEC (Group A), December 7, 2021; valid to audit 2021 to 2025 financial statements

Richard S. Fernandez

Richard S. Fernandez
Partner
CPA Certificate No. 0128429
BOA/PRC ACR. No. 0004/P-015, October 1, 2024; valid until September 22, 2027
SEC ACR. 128429-SEC (Group A), November 7, 2025; valid to audit 2025 to 2029 financial statements
BIR ACR. No. 08-002552-091-2023, August 17, 2023; effective until August 16, 2026
TIN 285-911-751
PTR No. A-6751948, January 9, 2026, Taguig City

Taguig City, Philippines
April 10, 2026

ANNEXURE A
FOR THE YEAR ENDED 31 DECEMBER 2025

Reconciliation of retained earnings available for dividend declaration:

		2025 **PHP**
Unappropriated retained earnings, 1 January 2025		2,491,126,541
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings		
Dividend declarations during the period		(966,898,120)
Unappropriated retained earnings, as adjusted		**1,524,228,421**
Add: Net income for the current year		808,068,037
Less: <u>Category C.1</u>: Unrealized income recognized in the profit of loss during the reporting period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash	6,122,797	
Add: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	31,105,485	
Net movement in deferred tax assets and deferred tax liabilities related to same transaction	(902,523)	
Actuarial gain on retirement benefit obligation	2,244,421	38,570,180
Total Retained Earnings, End of the Year Available for Dividend Declaration		**2,370,866,638**

ANNEXURE B
FOR THE YEAR ENDED 31 DECEMBER 2025

Supplementary Schedule of External Auditor Fee-Related Information

	2025	*2024*
	PHP	*PHP*
Total Audit Fees	**2,272,200**	*2,164,000*
Total Non-audit Fees	**—**	*—*
Total Audit and Non-audit Fees	**2,272,200**	*2,164,000*