



Philinsure  
PhilPacific Insurance Brokers & Managers, Inc.

IN PARTNERSHIP WITH



Insurance | Risk Management | Consulting

# 2024 ANNUAL REPORT

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BUILDING BUSINESSES. REBUILDING LIVES



**Philinsure**

**Annual Report 2024**

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# Who We Are

**Philinsure** was established in 2000 by a Team of Seasoned Senior Executives from Major Multinational Insurance and Reinsurance Brokers in the Philippines. It is the only company that operates four (4) sites nationwide – **Cebu, Makati, Ortigas, and Davao** effectively establishing a strong and strategic presence for major businesses operating all over the Philippines. We are a team of 180+ highly skilled and experienced insurance, employee benefits, and risk management personnel. Over four (4) years ago, Philinsure created a specialized focus center on benefits in the Ortigas office. Since its founding in 2000, it has grown to become the 5th largest direct broker (in commission income) (\* Insurance Commission report as of 2021) and the number one reinsurance broker in the country.



## Our Vision

Philinsure continuing to live out its pioneering spirit, establishing itself as the benchmark of customer service, business development and technical excellence, resulting in being the most credible and respected independent professional broker in Southeast Asia region.

## Our Mission

We are passionate in our personal commitment to YOU, our clients, insurance industry stakeholders, team members and shareholders, because WE CARE.



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# Message from the CEO

## Transitioning from Strong to Stronger

Dear Shareholders,

As we reflect on the past year, I am proud to share the progress and achievements of PhilPacific Insurance Brokers & Managers, Inc. (Philinsure) as we continue our journey of growth and transformation formally towards the Gallagher brand. This year, our theme, "Transitioning from Strong to Stronger," encapsulates our commitment to resilience and excellence.

The foundation of our company culture remains rooted in "The Gallagher Way," which emphasizes values such as teamwork, trust, ethical conduct, mutual respect, continuous learning, and collaboration. These principles are integral to our mission of strengthening the organization and maintaining our competitive edge.

## Key Milestones

1. **Share Purchase Agreement (SPA):** The SPA was successfully completed on 7 November 2024, with regulatory approval obtained in February 2025. This marked the beginning of a significant transition in operations, human resources, IT, finance, compliance, governance, and rebranding.
2. **Transition to Gallagher Philippines:** We will soon begin to take significant strides in aligning our operations, HR, IT, finance, compliance, and marketing with Gallagher's standards. While challenges such as updating business cards, social media campaigns, and regulatory compliance remain, we are confident in overcoming them.
3. **Leadership and Team Strength:** Our executive team boasts over 370 years of combined insurance brokerage expertise, supported by 204 dedicated team members across our offices in Cebu, Davao, Makati, and Ortigas.

**Financial Performance:** Our revenue growth has been consistent in the last ten years with an average rate of 19%. Our operating margin stands at an impressive 44%, surpassing expectations. A decade-long analysis of our revenues, growth rates, and EBITDA. Our growth rates reflect steady and consistent growth.

# Message from the CEO

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## **Challenges and Opportunities**

Our remarkable new business growth of 26% from 2023 to 2024 underscores our unwavering commitment to being a marketing-driven team, a cornerstone of Gallagher's core values. This achievement reinforces our dedication to future-proofing the company by prioritizing quality recruitment, fostering employee retention, enhancing HR capabilities, investing in comprehensive training programs, cultivating a robust sales culture, and strategically implementing succession planning. Together, these initiatives ensure sustainable growth and long-term success for Gallagher.

## **Sustainability and Governance**

This year, we advanced our sustainability commitments by strengthening governance, improving transparency, and expanding our initiatives on environmental responsibility and community engagement. We believe that responsible business practices are essential to long-term success and remain committed to operating with integrity across all aspects of our organization.

## **Looking Ahead**

I am enthusiastic about the full transition to Gallagher and the adoption of Gallagher Tools. Gallagher Australia has confirmed that Gallagher Philippines may be the first in Gallagher Asia to implement these tools, further solidifying our position as a leader in the region.

Thank you for your continued trust and support as we navigate this exciting phase of transformation and growth.

Warm regards,



**Gordon Alan P. Joseph**

President and CEO

PhilPacific Insurance Brokers & Managers, Inc.

# Board of Directors

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**OSCAR H. CHUA**

*Chairman*



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**GORDON ALAN P. JOSEPH**

*Director  
President and CEO*



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**JACQUELINE P. WENCESLAO**

*Director  
Executive Vice President*



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**EMMALINE CARLA L. WAMILDA**

*Director  
Executive Vice President*

# Board of Directors

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**MICHAEL L. GALANG**

*Director  
Executive Vice President  
and Deputy CEO*



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**KAREN V. BATUNGBACAL**

*Independent Director*



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**JOHN V. ALCORDO**

*Independent Director*



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**JOHN STORRS CULLIS**

*Independent Director*

# Financial Statements

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

**FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

With Independent Auditors' Report



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

## REPORT OF INDEPENDENT AUDITORS

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Philpacific Insurance Brokers & Managers, Inc. Doing Business under the Name and Style of Philinsure (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of profit or loss and other comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

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

#### *Basis for Opinion*

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

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)  
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee



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

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

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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



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

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

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

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

**R.G. MANABAT & CO.**

TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. 0092183

IC Accreditation No. IC-EA-2024-0012-R, Group A, valid for three (3) years covering the audit of 2024 to 2026 financial statements

SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2023

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

PTR No. MKT 10467182

Issued January 2, 2025 at Makati City

April 30, 2025

Makati City, Metro Manila

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

		December 31	
	Note	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4, 18	P105,353,878	P128,582,805
Receivables	5, 18	229,074,177	174,156,494
Financial assets at fair value through profit or loss	6, 18	2,819,070	2,727,554
Prepaid expenses and other current assets	7	16,091,435	35,165,318
<b>Total Current Assets</b>		<b>353,338,560</b>	340,632,171
<b>Noncurrent Assets</b>			
Property and equipment - net	8	40,425,571	25,262,945
Right-of-use assets - net	17	26,929,032	18,639,647
Deferred tax assets - net	13	13,335,745	7,603,122
Other noncurrent assets	9, 18	8,736,029	8,602,537
<b>Total Noncurrent Assets</b>		<b>89,426,377</b>	60,108,251
		<b>P442,764,937</b>	P400,740,422
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Due to insurance companies	5, 18	P69,699,893	P80,081,166
Trade and other payables	10, 18	87,739,464	64,908,213
Dividends payable	14	79,000,000	-
Current portion of lease liabilities	17, 18	10,681,893	7,324,450
Income tax payable		630,467	-
<b>Total Current Liabilities</b>		<b>247,751,717</b>	152,313,829
<b>Noncurrent Liabilities</b>			
Lease liabilities - net of current portion	17, 18	16,746,537	13,454,860
Retirement benefits liability	15	27,804,285	29,500,833
<b>Total Noncurrent Liabilities</b>		<b>44,550,822</b>	42,955,693
<b>Total Liabilities</b>		<b>292,302,539</b>	195,269,522
<b>Equity</b>			
Capital stock	14	27,000,000	27,000,000
Retained earnings	14	132,185,577	187,563,997
Retirement benefits reserve		(8,723,179)	(9,093,097)
<b>Net Equity</b>		<b>150,462,398</b>	205,470,900
		<b>P442,764,937</b>	P400,740,422

See Notes to the Financial Statements.

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

		Years Ended December 31	
	Note	2024	2023
<b>SERVICE REVENUE</b>		<b>P722,630,920</b>	P616,924,758
<b>COST OF SERVICES</b>	11	<b>226,358,032</b>	180,194,843
<b>GROSS INCOME</b>		<b>496,272,888</b>	436,729,915
<b>OPERATING EXPENSES</b>	12	<b>211,240,345</b>	187,554,342
<b>OPERATING INCOME</b>		<b>285,032,543</b>	249,175,573
<b>OTHER (EXPENSE) INCOME - net</b>			
Interest income	4	<b>1,625,054</b>	3,547,320
Unrealized gain on financial assets at fair value through profit or loss	6, 18	<b>91,516</b>	17,743
Gain on disposal of property and equipment		<b>58,286</b>	-
Interest expense	17	<b>(1,771,318)</b>	(1,413,911)
Foreign currency exchange (loss) gain - net		<b>(2,558,903)</b>	1,109,920
		<b>(2,555,365)</b>	3,261,072
<b>INCOME BEFORE INCOME TAX EXPENSE</b>		<b>282,477,178</b>	252,436,645
<b>PROVISION FOR INCOME TAX EXPENSE</b>			
Current		<b>78,006,516</b>	63,680,212
Deferred		<b>(5,855,929)</b>	1,183,962
Final		<b>325,011</b>	709,464
	13	<b>72,475,598</b>	65,573,638
<b>NET INCOME</b>		<b>210,001,580</b>	186,863,007
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Actuarial gain (loss) on defined benefits plan	15	<b>493,224</b>	(11,880,116)
Tax effect	13	<b>(123,306)</b>	2,970,029
		<b>369,918</b>	(8,910,087)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P210,371,498</b>	P177,952,920

*See Notes to the Financial Statements.*

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

	Years Ended December 31			
	Capital Stock (Note 14)	Retained Earnings (Note 14)	Retirement Benefits Reserve	Net Equity
<b>Balance at January 1, 2024</b>	<b>P27,000,000</b>	<b>P187,563,997</b>	<b>(P9,093,097)</b>	<b>P205,470,900</b>
<b>Cash Dividends</b>	-	<b>(265,380,000)</b>	-	<b>(265,380,000)</b>
<b>Total Comprehensive Income for the Year</b>				
Net income for the year	-	<b>210,001,580</b>	-	<b>210,001,580</b>
Other comprehensive income	-	-	<b>369,918</b>	<b>369,918</b>
	-	<b>210,001,580</b>	<b>369,918</b>	<b>210,371,498</b>
<b>Balance at December 31, 2024</b>	<b>P27,000,000</b>	<b>P132,185,577</b>	<b>(P8,723,179)</b>	<b>P150,462,398</b>
Balance at January 1, 2023	P27,000,000	P199,700,990	(P183,010)	P226,517,980
Cash Dividends	-	(199,000,000)	-	(199,000,000)
<b>Total Comprehensive Income for the Year</b>				
Net income for the year	-	186,863,007	-	186,863,007
Other comprehensive loss	-	-	(8,910,087)	(8,910,087)
	-	186,863,007	(8,910,087)	177,952,920
Balance at December 31, 2023	P27,000,000	P187,563,997	(P9,093,097)	P205,470,900

*See Notes to the Financial Statements.*

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

		Years Ended December 31	
	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax expense		P282,477,178	P252,436,645
Adjustments for:			
Depreciation and amortization	8, 9, 12, 17	27,673,561	25,555,135
Retirement benefits cost	11, 12, 15	11,805,249	9,606,906
Foreign currency exchange loss (gain) - net		2,558,903	(1,109,920)
Interest expense	17	1,771,318	1,413,911
Gain on disposal of property		(58,286)	-
Unrealized gain on financial assets at fair value through profit or loss	6	(91,516)	(17,743)
Interest income	4	(1,625,054)	(3,547,320)
		<b>324,511,353</b>	<b>284,337,614</b>
Changes in:			
Receivables		(54,917,683)	(112,391,536)
Due to insurance companies		(10,381,273)	7,558,076
Prepaid expenses and other current assets		16,947,948	643,418
Trade and other payables		22,831,251	30,056,796
		<b>298,991,596</b>	<b>210,204,368</b>
Interest income received		1,300,043	2,837,856
Interest expense paid	17	(1,771,318)	(1,413,911)
Contributions to retirement plan	15	(13,008,573)	(15,020,999)
Income taxes paid		(77,376,049)	(63,680,212)
Net cash provided by operating activities		<b>208,135,699</b>	<b>132,927,102</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of equipment		362,783	-
Change in other noncurrent assets		(2,233,493)	(37,263)
Additions to property and equipment	8	(30,502,084)	(13,946,438)
Additions to computer software	9	-	(300,000)
Payment of account listing	9	-	(2,000,000)
Net cash used in investing activities		<b>(32,372,794)</b>	<b>(16,283,701)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	17	(10,052,929)	(9,256,233)
Payment of cash dividends	14	(186,380,000)	(199,000,000)
Total cash used in financing activities		<b>(196,432,929)</b>	<b>(208,256,233)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(20,670,024)</b>	<b>(91,612,832)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(2,558,903)</b>	<b>1,109,920</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>128,582,805</b>	<b>219,085,717</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<b>P105,353,878</b>	<b>P128,582,805</b>

*See Notes to the Financial Statements.*



# Corporate Information

## **HEAD OFFICE**

2/F Centro Maximo II,  
Corner D. Jakosalem & V. Ranudo Streets, Cebu City,  
Central Visayas 6000

## **MAKATI**

11/F 6780 Ayala Avenue  
Ayala Avenue, Makati City,  
Metro Manila, 1226

## **DAVAO**

Unit 59 5th Floor.,  
Landco Corporate Centre J.P. Laurel Ave.,  
Bajada, Davao City, 8000

## **ORTIGAS**

Unit 8-A Wynsum Corporate Plaza,  
F. Ortigas Jr. Road (formerly Emerald Ave.),  
Ortigas Center, Pasig City, 1605



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