SINGLIFE PHILIPPINES INC.

FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors' Report

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Singlife Philippines Inc.
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Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singlife Philippines Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, the statements of profit or loss and other comprehensive 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.

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 26 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.

[redacted]

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covering the audit of 2024 to 2026 financial statements
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April 11, 2025
Makati City, Metro Manila

SINGLIFE PHILIPPINES INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2024**	2023
ASSETS			
Cash and cash equivalents	*4, 23*	**P132,884,155**	P195,525,447
Insurance receivables	*5, 23*	**4,591,162**	1,966,390
Financial assets:	*3, 6, 23*		
Financial assets at fair value through profit or loss		**662,288,396**	485,196,503
Receivables		**7,168,959**	3,443,497
Office equipment - net	*3, 7*	**10,529,811**	15,034,229
Computer software - net	*3, 9*	**302,262,302**	294,107,445
Right-of-use assets - net	*8*	**52,522,961**	67,180,531
Deferred tax assets	*3, 21, 23*	**3,268,632**	2,659,558
Other assets - net	*10*	**35,769,397**	17,916,985
Total General Assets		**1,211,285,775**	1,083,030,585
Assets Held to Cover Linked Liabilities	*11*	**119,923,540**	49,592,252
		P1,331,209,315	P1,132,622,837
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	*3, 12, 23*	**(P138,283,190)**	(P90,330,668)
Claims and benefits payable	*13, 23*	**22,302,659**	21,346,701
Accrued expenses and other liabilities	*14*	**212,671,950**	200,647,357
Lease liabilities	*3, 8, 23*	**54,208,193**	67,709,801
Pension liability	*19*	**13,074,526**	10,638,233
Total General Liabilities		**163,974,138**	210,011,424
Technical Provisions for Linked Liabilities	*11*	**119,923,540**	49,592,252
		283,897,678	259,603,676
Equity			
Capital stock	*15*	**2,508,108,109**	2,500,000,000
Additional paid-in capital	*15*	**591,891,957**	-
Accumulated deficit		**(2,204,866,649)**	(1,733,189,098)
Appropriation for negative reserves	*15*	**150,154,537**	106,064,494
Remeasurement on pension liability		**2,023,683**	143,765
	23	**1,047,311,637**	873,019,161
		P1,331,209,315	P1,132,622,837

See Notes to the Financial Statements.

SINGLIFE PHILIPPINES INC.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS

	Note	2024	2023
		Years Ended December 31	
REVENUES			
Gross premium on insurance contracts issued	*16*	**P489,100,626**	P348,292,927
Investment returns - net	*16*	**47,087,028**	45,154,071
Policy administration fees		**1,628,284**	1,112,082
Other income		**1,853,884**	1,169,945
Foreign exchange losses - net	*23*	**(482,276)**	(1,118,075)
		539,187,546	394,610,950
BENEFITS, CLAIMS AND OPERATING EXPENSES			
Cost on premiums of variable insurance	*11*	**75,076,203**	47,846,184
Gross benefits and claims	*16*	**70,957,018**	38,459,601
Change in legal policy reserves	*12*	**(47,952,522)**	(38,439,526)
Net insurance benefits and claims		**98,080,699**	47,866,259
General and administrative expenses	*17*	**784,943,469**	815,734,518
Underwriting expenses	*18*	**71,446,914**	68,901,077
		954,471,082	932,501,854
LOSS BEFORE INCOME TAX EXPENSE		**(415,283,536)**	(537,890,904)
INCOME TAX EXPENSE	*21*	**12,303,972**	10,051,617
NET LOSS		**(427,587,508)**	(547,942,521)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss			
Remeasurement gain (loss) on pension liability		**1,879,918**	(897,988)
TOTAL COMPREHENSIVE LOSS		**(P425,707,590)**	(P548,840,509)

See Notes to the Financial Statements.

SINGLIFE PHILIPPINES INC.
STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Note	**Capital Stock** (Note 15)	**Additional Paid in Capital**	**Deposits for Stock Subscriptions** (Note 15, 22)	**Accumulated Deficit**	**Appropriation for Negative Reserves** (Note 15)	**Remeasurement on Pension Liability**	**Total Equity**
Balance at January 1, 2024		**P2,500,000,000**	**P -**	**P -**	**(P1,733,189,098)**	**P106,064,494**	**P143,765**	**P873,019,161**
Additions to Capital	*15*	**8,108,109**	**591,891,957**	**-**	**-**	**-**	**-**	**600,000,066**
Total Comprehensive Loss								
Net loss during the year		**-**	**-**	**-**	**(427,587,508)**	**-**	**-**	**(427,587,508)**
Other comprehensive gain		**-**	**-**	**-**	**-**	**-**	**1,879,918**	**1,879,918**
		-	**-**	**-**	**(427,587,508)**	**-**	**1,879,918**	**(425,707,590)**
Transactions with the Stockholders of the Company								
Appropriation for negative reserves	*15*	**-**	**-**	**-**	**(44,090,043)**	**44,090,043**	**-**	**-**
Balance at December 31, 2024		**P2,508,108,109**	**P591,891,957**	**P -**	**(P2,204,866,649)**	**P150,154,537**	**P2,023,683**	**P1,047,311,637**
Balance at January 1, 2023		P1,940,000,000	P -	P560,000,000	(P1,155,415,512)	P76,233,429	P1,041,753	P1,421,859,670
Total Comprehensive Loss								
Net loss during the year		-	-	-	(547,942,521)	-	-	(547,942,521)
Other comprehensive loss		-	-	-	-	-	(897,988)	(897,988)
		-	-	-	(547,942,521)	-	(897,988)	(548,840,509)
Transactions with the Stockholders of the Company								
Reclassification of deposit for stock subscriptions	*15, 22*	560,000,000	-	(560,000,000)	-	-	-	-
Appropriation for negative reserves	*15*	-	-	-	(29,831,065)	29,831,065	-	-
Balance at December 31, 2023		P2,500,000,000	P -	P -	(P1,733,189,098)	P106,064,494	P143,765	P873,019,161

See Notes to the Financial Statements.

SINGLIFE PHILIPPINES INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2024**	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax expense		**(P415,283,536)**	(P537,890,904)
Adjustments for:			
Amortization	*9, 17*	**81,518,188**	47,687,679
Depreciation	*7, 8, 17*	**20,759,251**	10,230,197
Retirement expense	*17, 19*	**4,942,850**	3,392,761
Unrealized foreign exchange loss - net		**4,144,574**	10,061,575
Interest expense on lease liability		**738,420**	355,295
Impairment losses		**141,455**	1,540,050
Dividend income	*6, 16*	**-**	(661,681)
Gain on disposal of office equipment	*7*	**(16,228)**	-
Remeasurement gain on financial assets at fair value through profit or loss	*6, 16*	**(12,799,770)**	(8,411,667)
Interest income	*4, 6, 16*	**(34,287,258)**	(36,080,723)
		(350,142,054)	(509,777,418)
Changes in:			
Insurance receivables		**(2,624,772)**	2,167,497
Financial assets at fair value through profit or loss		**(177,091,893)**	267,054,303
Receivables		**-**	(1,224,132)
Other assets		**(17,993,867)**	11,286,080
Insurance contract liabilities	*12*	**(47,952,522)**	(38,439,526)
Claims and benefits payable	*13*	**955,958**	(9,924,889)
Accrued expenses and other liabilities		**11,418,502**	37,167,346
		(583,430,648)	(241,690,739)
Interest received		**43,361,566**	40,692,873
Dividends received		**-**	672,407
Income taxes paid		**(6,083,540)**	(3,700,009)
Final taxes paid	*21*	**(6,850,054)**	(7,199,798)
Net cash used in operating activities		**(553,002,676)**	(211,225,266)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of office equipment		**31,739**	-
Acquisitions of:			
Office equipment	*7*	**(1,612,774)**	(12,664,797)
Computer software	*9*	**(89,673,045)**	(211,112,783)
Net cash used in investing activities		**(91,254,080)**	(223,777,580)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of capital stocks	*15, 22*	**600,000,066**	-
Payments for principal and interest of lease liability	*8*	**(14,240,028)**	(4,473,463)
Cash provided by (used in) financing activities		**585,760,038**	(4,473,463)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(58,496,718)**	(439,476,309)

Forward

	Note	2024	2023
		Years Ended December 31	
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(P58,496,718)**	(P439,476,309)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**195,525,447**	645,063,331
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(4,144,574)**	(10,061,575)
CASH AND CASH EQUIVALENTS AT END OF YEAR	*4, 23*	**P132,884,155**	P195,525,447

See Notes to the Financial Statements.

1. Reporting Entity

Singlife Philippines Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on March 15, 2019 to carry on the business of life insurance. The Company started commercial operations on August 1, 2019. On August 25, 2022, the Insurance Commission (IC) approved the Company's license to sell variable unit-linked insurance, a life insurance product which is linked to investment funds.

The Company is a subsidiary of Singapore Life Holdings Pte. Ltd. (the Parent Company) with share ownership of 80.67%. The remaining shares are allocated between Di-Firm Capital Pte. Ltd. (Di-Firm) and Aboitiz Equity Ventures Inc. (AEV) with share ownership of 12.08% and 7.25%, respectively. The Parent Company and Di-Firm were incorporated and organized under the laws of Singapore, while AEV was incorporated in the Philippines.

The Company has a Certificate of Authority No. 2023/02-R issued by the IC to transact in life insurance business valid until December 31, 2025.

The registered office address of the Company is at 12F, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City.

2. Basis of Preparation

Basis of Accounting

These financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. They were authorized for issue by the Company's board of directors (BOD) on April 2, 2025.

Details of the Company's material accounting policies are included in Note 24.

Basis of Measurement

These financial statements have been prepared under the historical cost basis, except for the following items which are measured on an alternative basis on each reporting date.

Items	Measurement Bases
Financial assets at fair value through profit or loss (FVTPL)	Fair value
Investments under "Assets held to cover linked liabilities"	Fair value
Legal policy reserves	Gross premium valuation (GPV) and unearned premiums for traditional contracts; unearned cost of insurance charges for unit-linked contracts

Forward

Items	Measurement Bases
Lease liabilities	Present value of lease payments not yet paid and discounted using the Company's incremental borrowing rate
Pension liability	Present value of defined benefits obligation (DBO)

Functional and Presentation Currency
The financial statements are presented in Philippine peso (P), the Company's functional and presentation currency. All amounts are rounded to the nearest peso, unless otherwise indicated.

Presentation of Financial Statements
The Company presents its statement of financial position in order of liquidity. An analysis regarding the recovery of financial assets or settlement of financial liabilities within 12 months after reporting date (current) and more than 12 months after reporting date (non-current) is presented in Note 23.

3. Use of Judgments and Estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgments
Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

Classifying Financial Instruments
The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Business Model Assessment
The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximize return for shareholders and future business development.

Receivables
The Company reviews its receivables to assess impairment at least on an annual basis, or as the need arises due to significant movements on certain accounts. Receivables from policyholders and reinsurance that are individually significant are assessed to determine whether objective evidence of impairment exists on an individual basis, while those that are not individually significant are assessed for objective evidence of impairment either on an individual or on collective basis. In determining whether an impairment loss should be recorded in the profit or loss, the Company makes judgment as to whether there are any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of receivables before the decrease can be identified with an individual receivable in that portfolio.

Product Classification
The Company has determined that the traditional insurance policies have significant insurance risks and therefore meet the definition of insurance contracts and should be accounted for as such.

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Liability Adequacy Test
The Company evaluates the adequacy of its insurance contract liabilities at least annually. Significant judgment is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. Liability adequacy is assessed on a portfolio of contracts in accordance with the Company's manner of acquiring, servicing and measuring the profitability of its insurance contracts.

The judgments exercised in liability adequacy testing affect amounts recognized in the financial statements such as acquisition related expenses and insurance contract liabilities.

Leases - Determination of Lease Term of Contracts with Renewal and Termination Options - Company as a Lessee
The Company has lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The renewal options for the existing leases are not included as part of the lease term because the renewal is subject to mutual agreement of both the lessor and the Company. Furthermore, the periods covered by termination options are included as part of the lease term since they are reasonably certain not to be exercised.

Assumptions and Estimation Uncertainties
Information about assumptions and estimation uncertainties at December 31, 2024 and 2023 that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Valuation of Legal Policy Reserves
In determining the legal policy reserves, estimates are made as to the expected number of deaths, illness or injury for each of the years in which the Company is exposed to risk. These estimates are based on standard mortality and morbidity tables as required by the Insurance Code (the Code). The estimated number of deaths, illness or injury determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. In accordance with the provisions of the Code, estimates for future deaths, illness or injury and investment returns are determined at the inception of the contract and are used to calculate the liability over the term of the contract. Discount rate assumptions are based on current observed rates in the market and consistent with the discount rates published by IC. The key assumptions used in the valuation of legal policy reserves are detailed in Note 12.

For policies with contract horizons of a year or less than a year, reserves are computed by calculating the unearned portion of the written premiums for the year.

The carrying values of legal policy reserves, shown as negative insurance contract liabilities in the statements of financial position, amounted to P138.28 million and P90.33 million as at December 31, 2024 and 2023, respectively (see Note 12). Negative reserves included in the insurance contract liabilities amounted to P150.15 million and P106.06 million as at December 31, 2024 and 2023, respectively (see Note 15).

Liabilities Arising from Claims Made under Insurance Contracts
There are several sources of uncertainty that need to be considered in the estimation of the liability that the Company will ultimately pay for such claims. Although the ultimate liability arising from life insurance contracts is largely determined by the face amount of each individual policy, the Company also issues accident and health policies and riders where the claim amounts may vary.

Claims estimation by the Company considers Loss Development Triangle and expected one-month claims and processing costs. These liabilities from part of the Company's incurred but not yet reported (IBNR) claims presented under Claims and benefits payable in the statements of financial position amounting to P10.77 million and P10.29 million as at December 31, 2024 and 2023, respectively.

Fair Value of Financial Assets
Fair value determinations for financial instruments are based generally on listed or quoted market prices. Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to the financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation. Certain financial assets and liabilities were recorded at fair values by using the discounted cash flow method.

The carrying value of the financial assets at FVTPL amounted to P662.29 million and P485.20 million as at December 31, 2024 and 2023, respectively (see Note 6).

Impairment of Financial Assets
Investments at Fair Value
The Company considers that investments are impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged decline requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share/market price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

Estimating Useful Lives of Office Equipment and Computer Software
The useful life of each of the Company's items of office equipment and computer software is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A reduction in the estimated useful life of any item of property and equipment would increase the recorded costs of providing services and decrease assets.

The carrying value of office equipment amounted to P10.53 million and P15.03 million as at December 31, 2024 and 2023, respectively (see Note 7); and the carrying value of computer software amounted to P302.26 million and P294.11 million as at December 31, 2024 and 2023, respectively (see Note 9).

Recognition of Deferred Tax Assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization.

Periodic reviews cover the nature and amount of deferred income and expense items, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

The Company recognized deferred tax assets amounting to P3.27 million and P2.66 million as at December 31, 2024 and 2023, respectively (see Note 21), as the Company believes sufficient taxable income will allow these deferred tax assets to be utilized.

Pension Liability
The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefits obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefits obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country. Further details on pension liability are disclosed in Note 19.

Estimating the Incremental Borrowing Rate - Company as Lessee
Discount rate used to measure lease liabilities at the present value of the contractual payments due to the lessor over the lease term is determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company’s incremental borrowing rate on commencement of the lease is used. In estimating the incremental borrowing, the Company considers different factors such as risk-free interest rate, credit risk, credit spread, term and security (if any). Subsequent to initial measurement, lease liabilities increase as a result of interest charged using the same discount rate on the balance outstanding and are reduced for lease payments made.

The Company’s lease liabilities amounted to P54.21 million and P67.71 million as at December 31, 2024 and 2023, respectively (see Note 8).

Impairment Testing of Nonfinancial Assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing the asset. The value in use calculation is based on a discounted cash flows (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash generating unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

In 2024 and 2023, no impairment was recognized for nonfinancial assets.

4. Cash and Cash Equivalents

This account consists of:

	Note	**2024**	2023
Cash in banks		**P72,191,024**	P64,460,015
Cash in e-wallet		**39,773,842**	36,516,288
Cash equivalents		**20,919,289**	94,549,144
	23	**P132,884,155**	P195,525,447

Cash in banks earns interest at prevailing bank deposit rates.

Cash in e-wallet pertains to the cash held by the Company on its GCash account. These are noninterest earning, unrestricted and immediately available for use.

Cash equivalents are made for varying periods not exceeding three (3) months depending on the immediate cash requirements of the Company and earn interest at the prevailing short-term deposit rates.

Cash and cash equivalents amounting P6.98 million and P90.20 million as at December 31, 2024 and 2023, respectively, are managed by ATRAM Trust Corporation.

Interest income on cash and cash equivalents recognized in the statement of profit or loss and other comprehensive loss amounted to P0.90 million and P3.46 million in 2024 and 2023, respectively (see Note 16).

Accrued interest income on cash and cash equivalents amounted to P0.08 million and P0.15 million in 2024 and 2023, respectively (see Note 6).

5. Insurance Receivables

This account consists of premiums due and uncollected from policyholders amounting to P4.59 million and P1.97 million as at December 31, 2024 and 2023, respectively. These are normally collected within the grace period of 60 days in 2024 and 2023 respectively.

6. Financial Assets

The Company's financial assets consist of the following:

Financial Assets at FVTPL

	Note	**2024**	2023
Government debt securities	*23*	**P631,841,303**	P352,148,909
Unit investment trust funds (UITFs)/mutual funds (MFs)	*23*	**16,499,965**	119,100,467
Corporate debt securities	*23*	**13,947,128**	13,947,127
		P662,288,396	P485,196,503

Investments in corporate and government debt securities classified as financial assets at FVTPL earn annual interest ranging from 2.38% to 8.625% in 2024 and 2.38% to 7.25% in 2023.

Investments in UITFs/MFs are managed by professional fund managers and are invested in various financial instruments such as money market securities, bonds and equities.

The financial assets at FVTPL of the Company are managed by ATRAM Trust Corporation and Metrobank Trust Banking Group excluding the government debt securities held by the National Registry of Scripless Securities (nRoSS) amounting to P349.15 million and P347.18 million as at December 31, 2024 and 2023, respectively.

The nRoSS securities are earmarked as non-tradable in accordance with the provision of the Code as security for the benefit of policyholders and creditors of the Company, but based on the Company's assessment of business model, this has been designated as financial assets at FVTPL upon initial recognition.

Interest income from financial assets at FVTPL amounted to P33.39 million and P32.62 million in 2024 and 2023 respectively (see Note 16).

Dividend income from equity securities classified by the Company as financial assets at FVTPL amounted to nil and P0.66 million in 2024 and 2023, respectively (see Note 16).

Reconciliation of the carrying amounts of financial assets at FVTPL at the beginning and end of the year is shown below.

	Note	**2024**	2023
Balance at beginning of year		**P485,196,503**	P743,839,139
Additions		**1,639,988,616**	3,293,959,783
Disposals and maturities		**(1,475,696,493)**	(3,561,014,086)
Fair value gains	*16*	**12,799,770**	8,411,667
Balance at end of year	*23*	**P662,288,396**	P485,196,503

The Company did not recognize impairment losses on financial assets at FVTPL in 2024 and 2023.

Receivables
This account consists of:

	Note	**2024**	2023
Interest receivable on:			
Financial assets at FVTPL	*23*	**P5,291,239**	P1,428,924
Cash and cash equivalents	*4, 23*	**82,415**	146,710
Other receivables	*23*	**1,795,305**	1,867,863
		P7,168,959	P3,443,497

Interest receivable are collectible within the next 12 months from the reporting date.

Other receivables consist of due from debtors and employees. These are noninterest-bearing and collectible within the next 12 months from the reporting period.

7. Office Equipment - net

The movements of this account are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		**P22,314,775**	P9,649,978
Additions		**1,612,774**	12,664,797
Disposal		**(139,600)**	-
Balance at end of year		**23,787,949**	22,314,775
Accumulated Depreciation			
Balance at beginning of year		**7,280,546**	3,157,670
Depreciation	*17*	**6,101,681**	4,122,876
Disposal		**(124,089)**	-
Balance at end of year		**13,258,138**	7,280,546
Carrying Amount		**P10,529,811**	P15,034,229

There are no conditions that indicate impairment of office equipment as at December 31, 2024 and 2023.

In 2024, an office equipment with carrying amount of P0.02 million was disposed and sold during the year with proceeds amounting to P0.03 million resulting to a net gain of P0.02 million which is part of "Other income".

8. Leases

The Company entered into lease contract for its office space used in its operations. This lease has lease term of five (5) years.

Right-of-Use Assets
The carrying amount of right-of-use assets recognized and movements during the year as follows:

	2024	2023
Balance at the beginning of the year	**P67,180,531**	P -
Additions	**-**	73,287,852
Depreciation	**(14,657,570)**	(6,107,321)
Balance at the end of the year	**P52,522,961**	P67,180,531

Lease Liabilities
The carrying amount of lease liabilities recognized and the movement during the year as follows:

	2024	2023
Balance at the beginning of the year	**P67,709,801**	P -
Additions	**-**	71,827,969
Interest accrual	**738,420**	355,295
Payments	**(14,240,028)**	(4,473,463)
Balance at the end of the year	**P54,208,193**	P67,709,801

	2024	2023
Current	**P14,198,303**	P13,501,608
Noncurrent	**40,009,890**	54,208,193
	P54,208,193	P67,709,801

Rent expense for the office space and parking lots in 2024 and 2023 presented as under General and administrative expense in the statements of profit or loss and other comprehensive loss amounted to P12.68 million and P13.80 million, respectively (see Note 17).

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
One (1) year	**P14,536,695**	P14,240,028
1 - 2 years	**15,263,530**	14,536,695
2 - 3 years	**16,026,707**	15,263,530
3 - 4 years	**9,616,024**	16,026,707
4 - 5 years	**-**	9,616,024
Over 5 years	**-**	-

Amounts recognized in the statements of profit or loss on the leases are as follows:

	Note	2024	2023
Rent	*17*	**P12,677,239**	P13,801,869
Interest expense on lease liabilities		**738,420**	355,295
		P13,415,659	P14,157,164

Amounts recognized in the statements of cash flows are as follows:

	Note	2024	2023
Payment of principal portion of lease liabilities		**P13,501,608**	P4,118,168
Expenses relating to short-term leases	*17*	**9,615,673**	5,188,839
Expenses relating to low-value assets	*17*	**3,061,566**	8,613,030
Interest expense on lease liabilities		**738,420**	355,295
		P26,917,267	P18,275,332

9. **Computer Software** - net

Movements in computer software are shown below:

	Note	2024	2023
Cost			
Balance at beginning of year		**P355,527,346**	P144,414,563
Additions		**89,673,045**	211,112,783
Balance at end of year		**445,200,391**	355,527,346
Accumulated Amortization			
Balance at beginning of year		**61,419,901**	13,732,222
Amortization	*17*	**81,518,188**	47,687,679
Balance at end of year		**142,938,089**	61,419,901
Carrying Amount		**P302,262,302**	P294,107,445

10. Other Assets - net

This account consists of:

	Note	2024	2023
Input value-added tax (VAT)		**P110,206,232**	P110,064,777
Prepaid service		**24,189,986**	2,122,581
Refundable deposits	*20, 23*	**11,579,411**	15,522,280
Other current assets		**-**	272,124
		145,975,629	127,981,762
Less: Allowance for impairment losses		**110,206,232**	110,064,777
		P35,769,397	P17,916,985

Prepaid service refers to advance payment to platform company for the marketing promotion.

Refundable deposits represent amount deposited to the lessor for its lease contract (see Note 20), the two (2) - month deposits with the Company's outsourced recruitment agent and construction deposit.

Allowance for impairment losses pertains to input VAT of the Company that is not expected to be utilized in the coming years in consideration of the generation of revenues with output VAT.

11. Assets Held to Cover Linked Liabilities

On August 25, 2022, the IC approved the Company's license to sell variable unit-linked insurance policies, a life insurance product that is linked to investment funds (see Note 1). The premium of this product is divided into two (2) parts: the insurance portion and the investment portion. The investment portion of the premium, net of withdrawals, is recognized as "Costs on premiums of variable insurance" in the profit or loss and invested in a separate identifiable fund. The fund is valued regularly and is divided into units which represent the unit-linked policyholder's share in the fund. The value of the fund divided by the number of units is called the unit price. An amount equal to the "Assets held to cover linked liabilities" (representing the managed funds) is shown under the "Technical provisions for linked liabilities" account in the separate statements of financial position, a representation that the funds belong to the unit-linked policyholders.

Linked funds is a line of business in which the Company issues a contract where the benefit amount is directly linked to the fair value of the investments held in the segregated fund. Although the underlying assets are registered in the name of the Company and the linked fund contract holder has no direct access to the specific assets, the contractual arrangements are such that the linked fund policyholders bear the risks and rewards of the fund's investment performance. The Company derives fee income from linked funds, which is included in "Policy administration fees" in profit or loss.

Assets held to cover linked liabilities are composed of:

	2024	2023
Net asset value of the unit-linked funds	**P125,228,937**	P122,506,845
Subscriptions subsequently transferred to unit-linked funds	**-**	869,131
Investments in unit-linked funds under financial assets at FVTPL	**(5,305,397)**	(73,783,724)
	P119,923,540	P49,592,252

Investments in unit-linked funds under financial assets at FVTPL pertain to the seed capital invested by the Company. Net asset value of the unit-linked funds is composed of:

	2024	2023
Cash and cash equivalents	**P3,128,445**	P5,960,881
Unit investment trust funds	**97,059,369**	65,655,465
Mutual funds	**25,395,519**	52,718,764
Other assets	**198,243**	102,463
Payables	**(552,639)**	(1,930,728)
	P125,228,937	P122,506,845

The unit-linked funds are managed by ATRAM Trust Corporation for the Singlife Smart Investment Fund and Metrobank Trust Banking Group for the Singlife Global Growth Fund.

Total premiums and costs from the unit-linked product for the year ended December 31, 2024 and 2023 are as follows:

	Note	2024	2023
Linked premiums		**P111,016,747**	P62,102,923
Costs on premiums of variable insurance		**(75,076,203)**	(47,846,184)
Surrenders	*16*	**(36,766,924)**	(10,256,700)
Net linked premiums		**(P826,380)**	P4,000,039

12. Insurance Contract Liabilities

Insurance contract liabilities consist of legal policy reserves estimated for claims expected to be incurred by issued policy contract as at December 31, 2024 and 2023 for the remaining coverage using the GPV method, and unearned premium revenue for short-tail contracts. The non-unit reserves for investment-linked products are determined using unearned cost-of-insurance (COI) method which is calculated based on the monthly COI rates and the net amount at risk.

The movements in legal policy reserves:

	Note	**2024**	2023
Balance at beginning of year	*3, 23*	**(P90,330,668)**	(P51,891,142)
Gross change in reserves:			
New business		**(80,915,293)**	(68,368,431)
Liabilities released for payments on death, surrenders, and other terminations		**31,720,195**	(8,990,158)
Change in reserves due to removal of zero floor on unpadded reserves issued in prior years		**-**	10,562,038
Others		**1,242,576**	28,357,025
Gross change in legal policy reserves		**(47,952,522)**	(38,439,526)
Balance at end of year	*3, 23*	**(P138,283,190)**	(P90,330,668)

Key Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to insurance contracts. Assumptions used are based on past experience, current internal data and conditions and external market indices and benchmarking, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate and prudent estimates at the date of valuation. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are also subject to the provisions of the Code and guidelines set by the IC.

For policies with contract horizons of a year or less than a year, reserves are computed by calculating the unearned portion of the written premiums for the year.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- *Mortality and Morbidity*
  The mortality and morbidity assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered.

- *Discount Rates*
  Discount rates relate to the time value of money. Discount rate assumptions are based on current observed rates in the market and consistent with the discount rates published by IC. The discount rates are reviewed and revised at each reporting date. An increase (decrease) in discount rate would result in remeasurement gain (loss) on life insurance reserves.

- *Expenses*
  The expense assumptions are based on the Company’s pricing assumptions and will be reviewed in the future based on company experience.

- *Lapses and/or Persistency Rates*
  Lapse and/or persistency rates are taken as the best estimate lapse and/or persistency assumption.

The estimation of liabilities include margin for adverse deviations (MfADs) of +/-10% of the best assumptions as prescribed by IC Circular Letter (CL) No. 2016-66. Also under the Circular, the reserves for traditional life insurance policies must be valued, where appropriate, using GPV. This is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate.

Sensitivities
The analysis below is performed for a reasonably possible movement in key assumptions with all other assumptions held constant on liabilities. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumption changes had to be done on an individual basis.

The sensitivity in the key assumptions being monitored by the Company is presented as follows:

	Impact on Income before Income Tax and Equity Increase/(Decrease)		
	Change in Assumption	**2024**	2023
Mortality	+10%	**P7,599,041**	P4,963,918
	-10%	**(7,273,363)**	(4,751,176)
Expense	+10%	**23,224,339**	15,170,825
	-10%	**(23,220,872)**	(15,168,560)
Lapse	+10%	**10,704,687**	6,992,618
	-10%	**(11,065,652)**	(7,228,411)
Discount rate	+10%	**1,558,645**	1,018,153
	-10%	**(1,591,912)**	(1,039,884)

13. Claims and Benefits Payable

Claims and benefits payable consist of claims incurred but not yet paid. The movements in claims and benefits payable are as follows:

	Note	**2024**	2023
Balance at beginning of year	*23*	**P21,346,701**	P31,271,590
Arising during the year		**70,957,018**	16,980,004
Paid during the year		**(70,001,060)**	(26,904,893)
Balance at end of year	*23*	**P22,302,659**	P21,346,701

14. Accrued Expenses and Other Liabilities

This account consists of:

	Note	**2024**	2023
Accrued expenses	*23*	**P113,977,616**	P165,436,790
Premium deposit fund	*23*	**35,961,811**	11,719,179
Taxes payable		**30,488,551**	9,920,339
Platform fee payable	*23*	**27,288,082**	10,409,744
Due to government agencies		**3,151,009**	2,283,477
Other payables	*23*	**1,804,881**	877,828
		P212,671,950	P200,647,357

Accrued expenses include accruals of professional expenses, incentives to employees which are noninterest bearing and payable within one (1) year except long-term incentives which vest after three (3) years, and other miscellaneous expenses.

Premium deposit fund are transactional account that allows policyholders to prepay future insurance premiums ensuring policy payments are covered without needing to make regular payments.

Taxes payable include taxes withheld from staff and agents, stamp duties and premium taxes.

Platform fee payable refers to the amount a company owes for using online marketplace within their platform.

Due to government agencies are loans and contributions to Social Security System (SSS), Philippine Health Insurance Corporation (PHIC), and Home Development Mutual Fund (HDMF).

15. Equity

Capital Stock

The details of the Company's capital stock are as follows:

	2024		2023	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized Capital Stock				
Common (P100 par value per share)	**25,000,000**	**P2,500,000,000**	25,000,000	P2,500,000,000
Class A redeemable preferred non-voting non-convertible shares (P1 par value per share)	**1,500,000**	**1,500,000**	-	-
Class B voting common shares (P1 par value per share)	**20,000,000**	**20,000,000**	-	-
	46,500,000	**P2,521,500,000**	25,000,000	P2,500,000,000
Issued and Outstanding				
Balance at beginning of year	**25,000,000**	**P2,500,000,000**	25,000,000	P2,500,000,000
Issued during the year:				
Class B voting common shares (P1 par value per share)	**8,108,109**	**8,108,109**	-	-
Balance at end of year	**33,108,109**	**P2,508,108,109**	25,000,000	P2,500,000,000

On November 28, 2023, the BOD resolved to increase its authorized capital stock by such amount as needed by the Company to comply with the requirements of the Insurance Commission with the actual infusion of P600 million in additional capital to be completed in 2024.

On February 29, 2024, the BOD resolved the following:

- *Creation of New Classes of Shares*
  The BOD resolved the creation of new class of common shares of stock called “Class A” shares, which shall have a par value of P1 per share, which shall have the same economic benefits as ordinary common shares but shall not have full voting rights, and “Class B” shares, which shall have a par value of P1 per share, which shall have full voting rights and economic benefits as ordinary common shares.

- *Increase in Authorized Capital Stock*
  The BOD approved the increase of the authorized capital stock of the Company from P2,500,000,000, divided into 25 million common shares of stock with a par value of P100 per share to P2,521,500,000, divided into: (1) 25,000,000 ordinary common shares of stock with a par value of P100 per share, which are fully subscribed and paid up; (2) 1,500,000 Class A common shares of stock with a par value of P1 per share and (3) 20,000,000 Class B common shares of stock with a par value of P1 per share, subject to the approval of the SEC.

  It was also resolved that the Class B common shares of stock may be issued to the subscribing shareholders at a premium, of which the excess over par shall be considered as additional paid-in capital.

- *Issuance of Shares and Additional Paid-in Capital*
  The BOD authorized the issuance of 8,108,109 Class B shares at an issue price of P74 per share, for a total subscription price of P600,000,066, and that the excess amount of the issue price over the par value shall constitute additional paid-in capital.

  The shareholders committed to confirm their participation in the issuance in accordance with their pre-emptive right to subscribe to their proportionate share, until April 15, 2024, and such participating shareholders shall commit to subscribe and pay for their subscription to the Class B shares by April 25, 2024.

On March 22, 2024, the Company received additional capital infusion in the amount of P600.00 million from Singapore Life Holdings Pte. Ltd. The additional capital infusion covers the deficiency against the minimum net worth requirement of P1.30 billion.

On May 20, 2024, the Parent company fully subscribed 8,108,109 Class B Common Voting Shares par value of P1 per share at an issue price of P74 per share fully paid in cash amounting to P600,000,066 with the excess amount of P591,891,957 paid over par value constituting an additional paid in capital.

On November 8, 2024, the Securities and Exchange Commission approved the increase of capital stock.

After issuance of the additional shares, the new share ownership of the Parent Company, Di-Firm, and AEV were 80.67%, 12.08%, and 7.25%, respectively.

On November 28, 2024, share certificates pertaining to the subscribed shares were released to the subscribers.

On January 6, 2023, 5,600,000 common shares were issued to the Parent Company for the capital infusion in cash amounting to P560 million on December 28, 2022.

Additional Paid-in Capital
Additional paid-in capital (APIC) represents the excess amount paid in total by the shareholders above the par value of a company's share.

Appropriation for Negative Reserves
The Company appropriated P150.15 million and P106.06 million in 2024 and 2023, respectively, of accumulated deficit to cover its recognized negative reserves in accordance with IC CL No. 2016-66 which requires life insurance companies to appropriate from the unassigned surplus an amount equal to aggregate negative reserves calculated on a per policy basis.

16. Revenue and Gross Benefit and Claims

The gross insurance premium revenue consists of:

	2024	2023
Premium Revenue Arising from Contracts Issued		
Life insurance contracts	**P489,100,626**	P348,292,927

The investment returns consist of:

	Note	**2024**	2023
Interest on:			
Financial assets at FVTPL	*6*	**P33,386,430**	P32,618,128
Cash and cash equivalents	*4*	**900,828**	3,462,595
Fair value gains from financial assets at FVTPL	*6*	**12,799,770**	8,411,667
Dividend income	*6*	**-**	661,681
		P47,087,028	P45,154,071

Gross benefits and claims incurred during the year consist of:

	Note	**2024**	2023
Policy surrenders on unit-linked	*11*	**P36,766,924**	P10,256,700
Hospitalization benefits		**24,155,710**	9,897,290
Death benefits		**5,721,049**	3,018,553
Living benefits		**4,971,368**	3,337,264
Disability claims		**2,712,000**	4,771,000
Accident benefits		**2,084,967**	7,178,794
Gross change in IBNR		**(5,455,000)**	-
		P70,957,018	P38,459,601

17. General and Administrative Expenses

This account consists of:

	Note	**2024**	2023
Salaries and wages		**P220,253,383**	P185,016,006
Advertising and promotion		**160,513,457**	269,932,964
Contracted services		**135,204,591**	172,932,481
Amortization	*9*	**81,518,188**	47,687,679
Other short-term employee benefits		**41,660,056**	46,299,977
Depreciation	*7, 8*	**20,759,251**	10,195,198
Rent		**12,677,239**	13,801,869
Insurance taxes		**10,536,381**	9,523,352
SSS, HDMF and PHIC contributions		**7,665,610**	5,448,384
Legal and professional fees		**6,877,106**	9,560,226
Retirement expense	*19*	**4,942,850**	3,392,761
Taxes and licenses		**2,467,571**	717,979
Provision for impairment loss on input VAT		**1,701,627**	1,540,050
Investment fees		**1,462,652**	1,966,045
Miscellaneous		**76,703,507**	37,719,547
		P784,943,469	P815,734,518

Salaries and wages encompass all forms of compensation, including allowances, government contributions, and bonuses, that are paid to employees for their work.

Advertising and promotion pertain to costs for media advertising, direct marketing promotional materials, sponsorships, events, and any other activities aimed at increasing brand awareness and boosting sales.

Contracted services pertain to services provided through agreement with another agency, organization, or individual on behalf of the Company. The agreement specifies the services or personnel to be provided on behalf of the Company and the fees to provide these services or personnel.

Amortization refers to systematic process of allocating the cost of intangible asset (like computer software) over its useful life.

Other short-term employee benefits consist of the 13th and 14th month benefits and medical allowances given to the employees.

Miscellaneous mainly includes expenses incurred for recruitment, utilities, transportation, director fees, and communication allowances.

18. Underwriting Expenses

This account consists of:

	2024	2023
Service fees	**P68,736,674**	P67,075,457
Sales-related expenses	**2,710,240**	1,825,620
	P71,446,914	P68,901,077

Service fees are given to mobile platform provider upon sale of insurance policies and is calculated based on a certain percentage of premium indicated in the agreement.

Sales-related expenses are inspection fees incurred in the investigation of the claims.

19. Pension Liability

The Company has set-up a non-contributory defined benefits pension plan starting 2020, covering substantially all of its employees. As at December 31, 2024 and 2023, the Company has not made any contribution to the retirement fund nor set up a separately administered fund.

The present values of the defined benefits obligation and the related pension expense of the Company were actuarially measured using the projected unit credit method. The most recent actuarial valuation of the Company was carried out at December 31, 2024 by a qualified independent actuary.

Changes in pension liability are as follows:

	Note	**2024**	2023
Balance at beginning of year		**P10,638,233**	P6,048,155
Included in Profit or Loss			
Current service cost		**4,294,982**	2,963,342
Interest cost		**647,868**	429,419
	17	**4,942,850**	3,392,761
Included in Other Comprehensive (Income) Loss			
Actuarial (gain) loss arising from:			
Financial assumption		**(41,295)**	1,623,450
Experience adjustment		**(2,465,262)**	(426,133)
		(2,506,557)	1,197,317
Balance at end of year		**P13,074,526**	P10,638,233

The principal assumptions used in determining pension liability for the Company's plan follow:

	2024	2023
Discount rate	**6.11%**	6.09%
Rate of salary increase	**6.00%**	6.00%
Mortality table	**1994 GAMT**	1994 GAMT
Disability table	**1952 DT**	1952 DT
Average age	**34.87**	33.12
Average years of service	**1.85**	1.41
Average duration of benefit payments	**18 years**	21 years

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefits obligation as at December 31, 2024 and 2023, assuming all other assumptions were held constant:

	Increase (Decrease) in Rates	Impact in Present Value of DBO 2024	2023
Discount rate	1%	**(P1,887,342)**	(P1,608,807)
	(1%)	**2,261,157**	1,941,485
Rate of salary increase	1%	**2,239,329**	1,920,125
	(1%)	**(1,907,198)**	(1,627,168)
Improvement (increase) in employee turnover	10%	**672,065**	623,450
	(10%)	**(672,065)**	(623,450)

While the Company believes that the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the recognized expenses and related obligations.

Shown below is the maturity analysis of the Company's defined benefits obligation based on undiscounted benefit payments:

	2024				
	Carrying Amount	**Contractual Cash Flows**	**Within 1 Year**	**Within 1 - 5 Years**	**More than 5 Years**
Pension liability	**P13,074,526**	**P320,355,319**	**P -**	**P -**	**P320,355,319**

	2023				
	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	More than 5 Years
Pension liability	P10,638,233	P275,151,966	P -	P -	P275,151,966

20. Lease Agreement

The Company entered into a noncancellable lease agreement with Udenna Tower Corporation for the office space located at 12F, Udenna Tower, Rizal Drive cor. 4th Avenue Bonifacio Global City, Fort Bonifacio, Taguig City. The term of the lease contract shall be for a period of five (5) years commencing on August 1, 2023 and expiring on July 31, 2028. The rental rate is subject to escalation rate of five percent (5%) starting on the day 1 of the 3rd year of the lease term. The Company paid security deposit for this lease amounting to P3.99 million. Security deposit is presented as part of "Refundable deposits" in Note 10.

The Company entered into a noncancellable operating lease agreement with APEX Net, Inc. for the seat lease of a serviced office space located at 12F, Four/Neo Bldg., 4th Avenue cor. 30th St., Bonifacio Global City, Fort Bonifacio, Taguig City for a period of one (1) year, renewable for another year upon mutual agreement by two parties. The lease was renewed for another 1 year starting August 1, 2022 and was ended last July 31, 2023.

21. Income Taxes

Provision for income tax consists of:

	2024	2023
Final tax	**P6,850,054**	P7,199,798
Current	**6,689,631**	3,700,009
Deferred tax	**(1,235,713)**	(848,190)
	P12,303,972	P10,051,617

The reconciliation between tax expense and the product of accounting loss multiplied by 25% are as follows:

	2024	2023
Loss before income tax and final taxes	**(P415,283,536)**	(P537,890,904)
Income tax computed at 25% statutory tax rates	**(P103,820,884)**	(P134,472,726)
Adjustments for:		
Change in unrecognized deferred tax assets	**108,359,923**	146,094,018
Nondeductible expenses	**14,131,705**	5,393,793
Input VAT write-off	**483,282**	385,012
Dividend income	**-**	(132,336)
Interest income subjected to final tax	**(6,850,054)**	(7,216,144)
	P12,303,972	P10,051,617

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable. The details of the Company's deferred tax assets are as follows:

2024	**At January 1**	**Recognized in Profit or Loss**	**Recognized in OCI**	**At December 31**
Deferred tax assets				
Pension liability	**P2,659,558**	**P1,235,713**	**(P626,639)**	**P3,268,632**

2023	At January 1	Recognized in Profit or Loss	Recognized in OCI	At December 31
Deferred tax assets				
Pension liability	P1,512,039	P848,190	P299,329	P2,659,558

The Company did not recognize deferred tax assets on the following deductible temporary differences and net operating loss carryover (NOLCO) since management believes that the tax benefit will not be realized through income tax deductions in the near future.

	2024	2023
NOLCO	**P1,871,636,642**	P364,699,834
Provisions	**10,460,577**	7,116,736
	P1,882,097,219	P371,816,570

NOLCO

Details of the Company's NOLCO that can be claimed as deduction from future taxable profits are as follows:

Pursuant to Section 34 of the National Internal Revenue Code, the following NOLCO of the Company can be carried over as a deduction from gross income for the next three (3) consecutive years following the year of such loss.

Year Incurred	Year of Expiry	NOLCO
2022	2025	P505,794,645
2023	2026	543,366,147
2024	2027	412,837,307
		P1,461,998,099

Pursuant to Section 4 (bbbb) of Republic Act (R.A.) No. 11494, *Bayanihan to Recover as One Act*, and as implemented under RR No. 25-2020, the following NOLCO of the Company incurred for the taxable year 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years following the year of such loss.

Year Incurred	Year of Expiry	NOLCO
2020	2025	P115,286,313
2021	2026	294,352,230
		P409,638,543

The following NOLCO expired as of December 31, 2023:

Year Incurred	Year of Expiry	NOLCO
2019	2022	P55,260,193

Minimum Corporate Income Tax (MCIT)

MCIT was reduced to 1% from July 1, 2020, to June 30, 2023, under Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Law and RR No. 5-2021. This indicates that the MCIT for corporations will return to its previous 2% rate as of July 1, 2023. Income earned from January to June 2023 was subjected to 1% MCIT while July to December 2023 is subject to 2% MCIT. As such, 2023 MCIT is at an average of 1.5%.

A MCIT of 2% of the gross income as at the end of the taxable year is imposed upon domestic corporation beginning the fourth taxable year immediately following the taxable year in which such corporation commenced its business operations.

Details of the Company's MCIT is as follows:

Year incurred	Expiry Year	Amount	Utilized	Expired	Balance
2023	2026	P3,770,946	P -	P -	P3,770,946
2024	2027	6,689,631	-	-	6,689,631

22. Related Party Transactions

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The KMP of the Company and shareholders are considered to be related parties. The lists of the shareholders of the Company are the following.

Related Party	Relationship
Singapore Life Holdings Pte. Ltd.	Parent company
Di-Firm Capital Pte. Ltd.	Shareholder
Aboitiz Equity Ventures Inc.	Shareholder

The following are the significant related party transactions by the Company:

		Amount of Transactions		Amount Outstanding		Terms and
	Note	**2024**	2023	**2024**	2023	**Conditions**
Issuance of Capital Stock						
Singapore Life Holdings Pte. Ltd.	*15*	**P600,000,066**	P -	**P -**	P -	-
		-	560,000,000	**-**	-	
Reimbursement						
Singapore Life Holdings Pte. Ltd.		**76,464**	18,217,509	**76,464**	17,410,653	Interest-free; settlement in cash; unsecured
		P600,076,530	P578,217,509	**P74,464**	P17,410,653	

KMP
The compensation of the directors and other members of key management personnel of the Company amounted to:

	2024	2023
Short-term employee benefits	**P28,192,559**	P41,543,885
Post-employment benefits	**18,728,451**	1,382,213
	P46,921,010	P42,926,098

All outstanding related party balances will be settled in cash.

23. Capital, Insurance and Financial Risk Management Objectives and Policies

Governance Framework
The Company's activities expose it to a variety of risks such as capital, financial and insurance risks. The overall objective of risk management is to focus on the unpredictability of financial markets and insurance contingencies to minimize potential adverse effects on the financial position of the Company.

The Company has established a risk management function with clear cut responsibilities and with the mandate to develop company-wide policies on market, credit, liquidity, insurance and operational risk management. It also supports the effective implementation of risk management policies at the individual business unit and process levels.

The risk management policies define the Company's identification of risk and its interpretation, limit structure ensuring the appropriate quality and diversification of assets, alignment of underwriting and reinsurance strategies to the corporate goals and specify reporting requirements.

Regulatory Framework

The mandate of regulators is to protect the rights of the policyholders and maintain close monitoring to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains appropriate liquidity and solvency positions to meet liabilities arising from claims and that the risks are at acceptable levels.

The operations of the Company are subject to the regulatory requirements of the IC and the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions [e.g., net worth requirements and risk-based capital (RBC) requirements]. Such restrictive provisions minimize the risk of default and insolvency on the part of the insurance companies to meet the unforeseen liabilities as these arise.

Capital Management Framework

The Company maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum capital requirements set by the regulators and the amount computed under the Amended RBC (RBC2) Framework. Since starting commercial operations, the Company has developed policies and processes for managing capital.

To ensure compliance with these externally imposed capital requirements, it is the Company's policy to assess its position, at least on a quarterly basis, against set minimum capital requirements. The Company elevates any requirement for additional capital infusion to shareholders to address any foreseen capital deficiency.

It is anticipated that the Parent Company will support any other financing requirements and future developments of the Company.

Based on the Company's calculations, the Company fully complied with capital requirements during the reported financial periods and no changes made to its capital management objectives, policies and processes from the previous year.

Paid-up Capital Requirements

On August 15, 2013, the President of the Philippines approved R.A. No. 10607 to be known as the "New Insurance Code" which prescribes that new domestic insurance companies shall possess at least a paid-up capital amounting to P1 billion for it to engage in business in the Philippines. The minimum paid-up capital shall remain unimpaired for the continuance of the license of the insurance companies. Moreover, Insurance Memorandum Circular (IMC) No. 22-2008 provided that for the purpose of determining compliance with the law, rules and regulations requiring that the paid-up capital should remain intact and unimpaired at all times, the statements of financial position should show that the net worth or equity is at least equal to the actual paid-up capital.

Minimum Statutory Net Worth Requirements

On January 13, 2015, the IC issued CL No. 2015-02-A clarifying the minimum capitalization and net worth requirements of all insurance companies in the Philippines. All domestic life and non-life insurance companies duly licensed by the IC must have a net worth of at least P250 million by December 31, 2013 (Section 194).

The minimum net worth of the said companies shall remain unimpaired at all times and shall increase to the amounts as follows:

Net Worth	Compliance Date
P550,000,000	December 31, 2016
900,000,000	December 31, 2019
1,300,000,000	December 31, 2022

As at December 31, 2024, the Company's net worth amounted to P1.05 billion based on internal calculations. The final amount of net worth can be determined only after the accounts of the Company have been examined by the IC, especially as to the admitted and non-admitted assets as defined under the Amended Insurance Code.

In 2023, the Company received cash infusion amounting to P600 million, recognized as capital stock in order to comply with the net worth requirements. While, for 2024, any deficiency in the net worth was covered by an additional capital infusion of P600 million from Singapore Life Holdings Pte. Ltd. on January 2, 2025 (Note 25).

Net worth shall consist of paid-up capital, retained earnings, unimpaired surplus, and revaluation of assets as may be approved by the Insurance Commissioner. As at December 31, 2024 and 2023, the Company's net worth (deficit) excess is (P296.82 million) and (P463.79 million), respectively.

Amended RBC (RBC2) Framework
In December 2016, IC issued CL No. 2016-68 which supersedes all previously issued IC CL on RBC and shall be implemented effective January 1, 2017. The RBC2 Framework prescribes the minimum RBC Ratio and RBC Requirement that must be satisfied by all insurance companies. Under the RBC2 Framework, the RBC Ratio of an insurance company shall be equal to the Total Available Capital (TAC) divided by the RBC requirement. All insurance companies are required to maintain a minimum RBC Ratio of 100% and not fail the trend test. The RBC Requirement is defined under RBC2 Framework as the capital required to be held appropriately to the risks an insurance company is exposed to.

IC CL No. 2016-69, *Implementation Requirements for Financial Reporting, Valuation Standards for Insurance Policy Reserves and RBC2 Framework*, further states that the level of sufficiency for the RBC2 Framework shall be at 95% level in 2017, 97.50% in 2018 and 99.50% in 2019.

As at December 31, 2024 and 2023, the Company is compliant with the minimum RBC Ratio and has passed the Trend Test based on the requirements of the IC CL No. 2016-69. The below table shows how the RBC ratio as at the reporting date was determined by the Company:

	2024	2023
Total available capital	**P692,048,500**	P540,940,535
RBC requirement	**120,657,628**	98,859,255
RBC Ratio	**574%**	547%

The figures above for 2024 are internally computed by the Company and the final amount of the RBC ratio can be determined only after the accounts of the Company have been reviewed by IC specifically as to determination of admitted and non-admitted assets as defined under the Insurance Code while the figures above for 2023 are based on final amount reviewed by IC.

As at December 31, 2024 and 2023, The Company has complied with the minimum RBC ratio of 100%.

Non-admitted assets
The amounts of assets below for 2024 are subject to final determination by the IC while the 2023 balances are based on the final amount reviewed by IC:

	2024	2023
Service fee deposits	**P6,355,735**	P8,376,871
Rental deposits	**5,223,676**	7,145,409
Office equipment	**4,710,162**	6,081,346
Deferred tax assets	**3,268,632**	2,659,558
Others	**25,985,225**	4,262,568
	P45,543,430	P28,525,752

Insurance Risk
The risk under an insurance contract is the risk that an insured event will occur, including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid that are greater than those originally estimated, and subsequent development of long-term claims.

The Company principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for a pre-determined amount. The risks associated with the life and accident and health products are underwriting risk and investment risk.

Underwriting Risk
Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks are brought about by a combination of the following:

- *Mortality Risk* - risk of loss arising from the policyholder's death experience being different than expected.

- *Morbidity Risk* - risk of loss arising from the policyholder's health experience being different than expected.

- *Expense Risk* - risk of loss arising from expense experience being different than expected.

- *Policyholder Decision Risk* - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

The Company's underwriting strategy is designed to ensure that risks are evaluated and rated appropriately. This is largely achieved through the use of health questionnaires and medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

Investment Risk
The investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments.

Additionally, there exists a future investment risk associated with certain policies currently in force which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below than that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future premium receipts while continuing to maintain satisfactory investment quality. The Company utilizes dynamic asset allocation strategies consistent with its risk appetite framework to manage investment risk and to ensure sustainable investment returns.

Fair Value of Financial Instruments
The fair value of financial assets at FVTPL that are actively traded in organized financial markets are determined by reference to quoted market bid prices, at the close of business on the reporting date, or the last trading day as applicable.

Due to the short-term nature of cash and cash equivalents, receivables, refundable deposits, and accrued expenses and other liabilities, their fair values approximate their carrying amounts as at the reporting date.

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

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments and for which observable market price exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free rate and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates and equity index prices and expected price volatiles and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset and paid to transfer the liability in and orderly transaction between market participants at the measurement date.

As at December 31, 2024 and 2023, the Company classifies its financial assets at fair value as follows:

	2024				
	Carry Value	**Level 1**	**Level 2**	**Level 3**	**Total**
General assets measured at fair value:					
Government debt securities	**P631,841,303**	**P -**	**P631,841,303**	**P -**	**P631,841,303**
UITFs/MFs	**16,499,965**	**-**	**16,499,965**	**-**	**16,499,965**
Corporate debt securities	**13,947,128**	**-**	**13,947,128**	**-**	**13,947,128**
Assets held to cover linked liabilities at fair value:					
UITFs/MFs	**122,454,888**	**-**	**122,454,888**	**-**	**122,454,888**
Total	**P784,743,284**	**P -**	**P784,743,284**	**P -**	**P784,743,284**

	2023				
	Carry Value	Level 1	Level 2	Level 3	Total
General assets measured at fair value:					
Government debt securities	P352,148,909	P -	P352,148,909	P -	P352,148,909
UITFs/MFs	119,100,467	-	119,100,467	-	119,100,467
Corporate debt securities	13,947,127	-	13,947,127	-	13,947,127
Assets held to cover linked liabilities at fair value:					
UITFs/MFs	118,374,229	-	118,374,229	-	118,374,229
Total	P603,570,732	P -	P603,570,732	P -	P603,570,732

There has been no transfer between levels in 2024 and 2023.

Unrealized gain on financial assets at FVTPL was recognized as part of “Investment (loss) gain - net”.

Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities, insurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages the level of credit risk it accepts through a comprehensive credit risk policy which focuses on minimizing credit risk exposures. The credit risk policies are set as follows:

- Concentration Limit - the Company sets maximum exposure to an individual issuer and to a particular sector.

- Counterparty Ratings - the Company reviews and recommends financial institutions that will complement over-all investment objectives and service requirements.

Reporting of credit risk exposures, monitoring compliance with credit risk policy and review of credit risk policy is done on a regular basis. The Company's holding of cash exposes the Company to credit risk of the counterparty. Credit risk management involves dealing only with institutions for which credit limits have been established. The treasury policy sets credit limit for each counterparty. In respect of investment securities, the Company secures satisfactory credit quality by setting maximum limits of portfolio securities with a single issuer or group of issuers, excluding those secured on specific assets and setting the minimum ratings for the issuer or group of issuers. The Company sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long-term ratings.

As at December 31, 2024 and 2023, the Company's maximum exposure to credit risk from its financial assets (cash and cash equivalents, insurance receivables, financial assets at FVTPL, receivables and refundable deposits) is equal to their carrying amounts. In addition, there is no significant concentration of credit risk identified.

The gross maximum exposure to credit risk of the Company approximates its net maximum exposure. There were no amounts that are set-off in accordance with the criteria in Philippine Accounting Standard (PAS) 32, *Financial Instruments Presentation*. There were no amounts subject to an enforceable master netting arrangement or similar agreement as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the credit quality per class of the Company's financial assets is as follows:

2024	***Note***	**Investment Grade**	**Non-investment Grade**	**Total**
General Assets				
Cash and cash equivalents	*4*	**P132,884,155**	**P -**	**P132,884,155**
Insurance receivables	*5*	**-**	**4,591,162**	**4,591,162**
Financial assets at FVTPL	*3, 6*	**662,288,396**	**-**	**662,288,396**
Receivables	*3, 6*	**5,373,654**	**1,795,305**	**7,168,959**
Refundable deposits	*10, 20*	**-**	**11,579,411**	**11,579,411**
Assets Held to Cover Linked Liabilities				
Cash and cash equivalents	*11*	**3,128,445**	**-**	**3,128,445**
Financial assets at FVTPL	*11*	**122,454,888**	**-**	**122,454,888**
Other	*11*	**-**	**198,243**	**198,243**
		P926,129,538	**P18,164,121**	**P944,293,659**

2023	*Note*	Investment Grade	Non-investment Grade	Total
General Assets				
Cash and cash equivalents	*4*	P195,525,447	P -	P195,525,447
Insurance receivables	*5*	-	1,966,390	1,966,390
Financial assets at FVTPL	*3, 6*	485,196,503	-	485,196,503
Receivables	*3, 6*	1,575,634	1,867,863	3,443,497
Refundable deposits	*10, 20*	-	15,522,280	15,522,280
Assets Held to Cover Linked Liabilities				
Cash and cash equivalents	*11*	5,960,881	-	5,960,881
Financial assets at FVTPL	*11*	118,374,229	-	118,374,229
Receivables	*11*	-	102,463	102,463
		P806,632,694	P19,458,996	P826,091,690

The Company uses a credit rating concept based on the borrowers' and counterparties' overall creditworthiness, as follows:

Investment Grade - rating given to counterparties who possess strong to very strong capacity to meet their obligations; and

Non-investment Grade - rating given to counterparties who possess above average capacity to meet their obligations.

The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties, geographical and industry segments as at December 31, 2024 and 2023.

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

		December 31, 2024					
		Age Analysis of Financial Assets Past-Due but Not Impaired					
2024	***Note***	**Less than 30 Days**	**31 to 90 Days**	**90 Days**	**Total Past Due but not Impaired**	**Past Due and Impaired**	**Total**
Insurance receivables:							
Premiums due and uncollected	*5*	**P4,591,162**	**P -**	**P -**	**P -**	**P -**	**P4,591,162**
Receivables:							
Interest receivable	*6*	**5,373,654**	**-**	**-**	**-**	**-**	**5,373,654**
Other receivables	*6*	**1,795,305**	**-**	**-**	**-**	**-**	**1,795,305**
Total		**P11,760,121**	**P -**	**P -**	**P -**	**P -**	**P11,760,121**

		December 31, 2023					
		Age Analysis of Financial Assets Past-Due but Not Impaired					
2023	*Note*	Less than 30 Days	31 to 90 Days	90 Days	Total Past Due but not Impaired	Past Due and Impaired	Total
Insurance receivables:							
Premiums due and uncollected	*5*	P1,966,390	P -	P -	P -	P -	P1,966,390
Receivables:							
Interest receivable	*6*	1,575,634	-	-	-	-	1,575,634
Other receivables	*6*	1,867,863	-	-	-	-	1,867,863
Total		P5,409,887	P -	P -	P -	P -	P5,409,887

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing on repayment of a contractual obligation; or the insurance liabilities falling due for payment earlier than expected; or the inability to generate cash inflows as anticipated. The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and operating expenses. The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments and maintains and holds a sufficient level of cash reserves.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at December 31, 2024 and 2023, except for the legal policy reserves of the life insurance contracts which shows the maturity analysis based on the estimated timing of the net cash outflows using the recognized insurance liability accounts:

2024	**Up to a Year***	**1 - 3 Years**	**Over 3 Years**	**No Term**	**Total**
General Assets					
Cash and cash equivalents	**P132,884,155**	**P -**	**P -**	**P -**	**P132,884,155**
Insurance receivables	**4,591,162**	**-**	**-**	**-**	**4,591,162**
Financial assets at FVTPL	**142,749,388**	**43,346,439**	**459,692,605**	**16,499,964**	**662,288,396**
Receivables	**7,168,959**	**-**	**-**	**-**	**7,168,959**
Refundable deposits	**11,579,411**	**-**	**-**	**-**	**11,579,411**
Assets Held to Cover Linked Liabilities					
Cash and cash equivalents	**3,128,445**	**-**	**-**	**-**	**3,128,445**
Financial assets at FVTPL	**-**	**-**	**-**	**122,454,888**	**122,454,888**
Other assets	**198,243**	**-**	**-**	**-**	**198,243**
Total Financial Assets	**302,299,763**	**43,346,439**	**459,692,605**	**138,954,852**	**944,293,659**
General Liabilities					
Insurance contract liabilities	**(138,283,190)**	**-**	**-**	**-**	**(138,283,190)**
Claims and benefits payable	**22,302,659**	**-**	**-**	**-**	**22,302,659**
Accrued expenses and other liabilities**	**179,032,390**	**-**	**-**	**-**	**179,032,390**
Lease liabilities	**14,536,695**	**31,290,237**	**9,616,024**	**-**	**55,442,956**
Technical Provisions for Linked Liabilities					
Payables	**552,639**	**-**	**-**	**-**	**552,639**
Total Financial Liabilities	**78,141,193**	**31,290,237**	**9,616,024**	**-**	**119,047,454**
Liquidity Position	**P224,158,570**	**P12,056,202**	**P450,076,581**	**P138,954,852**	**P825,246,205**

**Up to a year are all commitments which are either due within the time frame or are payable on demand.*
***Excludes statutory payables such as government agencies, local and national taxes and withholding taxes*

2023	Up to a Year*	1 - 3 Years	Over 3 Years	No Term	Total
General Assets					
Cash and cash equivalents	P195,525,447	P -	P -	P -	P195,525,447
Insurance receivables	1,966,390	-	-	-	1,966,390
Financial assets at FVTPL	4,972,858	153,577,030	207,546,148	119,100,467	485,196,503
Receivables	3,443,497	-	-	-	3,443,497
Refundable deposits	15,522,280	-	-	-	15,522,280
Assets Held to Cover Linked Liabilities					
Cash and cash equivalents	5,960,881	-	-	-	5,960,881
Financial assets at FVTPL	-	-	-	118,374,229	118,374,229
Receivables	-	-	-	52,821,227	52,821,227
Total Financial Assets	227,391,353	153,577,030	207,546,148	290,295,923	878,810,454
General Liabilities					
Insurance contract liabilities	(90,330,668)	-	-	-	(90,330,668)
Claims and benefits payable	21,346,701	-	-	-	21,346,701
Accrued expenses and other liabilities**	188,443,541	-	-	-	188,443,541
Lease liabilities	14,240,028	45,826,932	9,616,024	-	69,682,984
Technical Provisions for Linked Liabilities					
Payables	1,930,728	-	-	-	1,930,728
Total Financial Liabilities	135,630,330	45,826,932	9,616,024	-	191,073,286
Liquidity Position	P91,761,023	P107,750,098	P197,930,124	P290,295,923	P687,737,168

**Up to a year are all commitments which are either due within the time frame or are payable on demand.*
***Excludes statutory payables such as government agencies, local and national taxes and withholding taxes*

Market Risk

Market risk is the risk of loss of future earnings to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk
Foreign currency exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company's foreign exchange risk results primarily from movements of the United States dollar (USD) against the Philippine peso. These exposures arise mainly from cash and cash equivalents and advances from related party. The Company manages its foreign exchange risk through monitoring of transactions in foreign currencies and maintaining sufficient cash in foreign currencies to cover expenses and maturing obligations.

The Company's foreign currency-denominated monetary assets are as follows:

	2024		2023	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Cash and cash equivalents	**$12,105**	**P700,211**	$21,050	P1,165,528
Financial assets at FVTPL	**193,527**	**11,194,569**	761,331	42,154,895
Net foreign currency-denominated assets	**$205,632**	**P11,894,780**	$782,381	P43,320,423

The balances have been restated based on the reference rate at P57.84 per USD and P55.37 per USD as at December 31, 2024 and 2023, respectively. The Company recognized net foreign exchange loss of P0.48 million and P1.12 million in 2024 and 2023, respectively, arising from the revaluation of foreign currency-denominated monetary assets.

The following table demonstrates the sensitivity to a reasonably possible change in the USD to PHP exchange rates, with all variables held constant, of the Company's income before tax for the years ended December 31, 2024 and 2023. There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase (Decrease) in Exchange Rate		**Effect on Income before Tax**	
	2024	2023	**2024**	2023
USD	**2.83%**	2.42%	**P336,622**	P1,048,354
	(2.83%)	(2.42%)	**(336,622)**	(1,048,297)

In 2024 and 2023, the Company used the average of changes in year-end closing rate for the past three years in determining the reasonably possible change in foreign exchange rates.

Fair Value Interest Rate Risk
Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate investments classified as financial assets at FVTPL are exposed to such risk.

The following table shows the information relating to the Company's financial instruments that are exposed to fair value interest rate risk presented by maturity profile:

2024	**Range of Interest Rate**	**Up to a Year**	**1 - 3 Years**	**Over 3 Years**	**Total**
Cash and cash equivalents	**0.20%-5.00%**	**P132,884,155**	**P -**	**P -**	**P132,884,155**
Financial assets at FVTPL:					
Government debt securities	**2.63%-8.00%**	**142,749,388**	**29,399,311**	**459,692,604**	**631,841,303**
Corporate debt securities	**3.60%-4.18%**	**-**	**13,947,128**	**-**	**13,947,128**
Total Financial Assets		**P275,633,543**	**P43,346,439**	**P459,692,604**	**P778,672,586**

2023	Range of Interest Rate	Up to a Year	1 - 3 Years	Over 3 Years	Total
Cash and cash equivalents	0.20%-5.00%	P195,525,447	P -	P -	P195,525,447
Financial assets at FVTPL:					
Government debt securities	2.38%-7.25%	4,972,858	139,629,902	207,546,149	352,148,909
Corporate debt securities	3.60%-4.18%	-	13,947,127	-	13,947,127
Total Financial Assets		P200,498,305	P153,577,029	P207,546,149	P561,621,483

The analysis below is performed for reasonably possible movements in interest rates with all other variables held constant, showing the impact on profit before tax due to changes in fair value of fixed rate financial assets at FVTPL.

	Increase (Decrease) in Interest Rate		**Effect on Income before Tax**	
	2024	2023	**2024**	2023
Financial assets at FVTPL	**10%**	10%	**P64,578,843**	P36,609,604
	(10%)	(10%)	**(64,578,843)**	(36,609,604)

In 2024 and 2023, the Company determined the reasonably possible change in interest rates using the percentage changes in weighted average yield rates of outstanding securities for the past three (3) years.

24. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except for the changes in accounting policies as discussed below.

Adoption of Amendments to Standards

The Company has adopted the following amendments to standards starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendment to standards did not have any significant impact on the Company's financial statements.

- Classification of Liabilities as Current or Noncurrent - 2020 amendments and Noncurrent Liabilities with Covenants - 2022 amendments (Amendments to PAS 1, *Presentation of Financial Statements).* To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;classified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;

- provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and

- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

Product Classification

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk, but not significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

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

Based on the Company guidelines, all products in its portfolio meet the definition of insurance contracts.

Unit-linked Insurance Contracts

A unit-linked insurance contract is an insurance contract linking payments to units of an internal investment fund set up by the Company with the consideration received from the policyholders. The investment funds supporting the linked policies are maintained in segregated accounts in conformity with Philippine laws and regulations. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets, while the non-unit reserves for unit-linked insurance contracts are calculated as the unearned cost of insurance charges.

Revenue from unit-linked insurance contracts consists of premiums received and policy administration fees.

Management assessed that the insurance contracts have no derivative components. As allowed by PFRS 4, *Insurance Contracts,* the Company chose not to unbundle the investment portion of its unit-linked products.

Financial Instments

Initial Recognition

Financial instruments are initially recognized on the trade date measured at their fair value. Except for financial assets and financial liabilities recorded at FVTPL, the Company classifies all of its financial assets based on the business model for managing the assets and its contractual terms. The categories include amortized cost, FVTOCI and FVTPL.

a. *Financial Assets Measured at Amortized Cost*

   A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

   - The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows; and

   - The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interests (SPPI).

b. *Financial Assets Measured at FVTOCI*

   A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL:

   - The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets; and

   - The contractual terms of the financial asset meet the SPPI test.

c. *Financial Assets Measured at FVTPL*

   This classification includes financial assets not classified as measured at amortized cost or FVTOCI are measured at FVTPL. In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximize return for shareholders and future business development.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI Test
As a second step of its classification process, the Company assesses the contractual terms to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Reclassification
The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

Subsequent Measurement and Gains and Losses

- *Financial Assets at FVTPL* - Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss;

- *Financial Assets at Amortized Cost* - Measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss;

- *Equity Investments at OCI* - Measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of Financial Assets at Amortized Cost
The Company assesses the expected credit loss associated with its financial assets carried at amortized cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the general approach to providing for expected credit losses. The general expected credit loss model requires the calculation of ‘12 month expected credit losses’ (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be ‘low credit risk’ and is deemed to have had a ‘significant increase in credit risk’ since initial recognition, in which case lifetime expected credit losses should be recorded.

Management considers amounts classified as debt instruments to have ‘low credit risk’ when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the short term.

Derecognition of Financial Assets and Liabilities

Financial Asset

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

- the contractual rights of the Company to the cash flows from the financial asset have expired; or

- the Company has transferred the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the following conditions

    - the Company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the asset;

    - the Company is prohibited to sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and

    - the Company has an obligation to remit any cash flows collected on behalf of the eventual recipients without material delay and is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipient.

When the Company has transferred substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized and any retained rights and obligations created or retained in the transfer is recognized separately as assets or liabilities. When the Company has retained substantially all the risks and rewards of ownership, the financial asset continues to be recognized as a financial asset.

Financial Liabilities

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

Fair Value Measurements

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Office Equipment

Office equipment is carried at cost net of accumulated depreciation and amortization and any impairment loss. The initial cost of property and equipment consists of its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged against income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. An item of office equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal, at which time the cost of the asset and the related accumulated depreciation or amortization are removed from the accounts. Any gains or losses on disposals are determined by comparing the proceeds with the asset’s carrying amount and are recognized in profit or loss.

Depreciation is computed on a straight-line basis over the estimated useful lives (EUL) of the respective assets. Depreciation begins when the asset becomes available for use, i.e., when it is in location and condition necessary for it to be capable in the manner intended by management.

Depreciation ceases at the date when it is classified as held for sale or the date the asset is derecognized, whichever is earlier.

The EUL of office equipment is reviewed annually, based on the assets’ expected utilization and physical wear and tear, to ensure that the periods and method of depreciation are consistent with the expected patterns of economic benefits from items of property and equipment.

The Company’s office equipment have an expected useful life of three (3) years.

Right-of-Use Assets
The Company recognizes the right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying assets to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term of five (5) years. Right of use assets are subject to impairment.

Software Development Costs
Costs directly associated with the development of identifiable computer software that are not an integral part of the hardware and generate expected future benefits to the Company are recognized as intangible asset.

Intangible assets relating to computer software licenses (not an integral part of its related hardware), are capitalized at cost. These costs are amortized over their useful life of five years. Costs associated with maintaining computer software programs are recognized as expenses when incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Software development costs are amortized from the date they are available for use. The Company’s intangible assets have an expected useful life of five (5) years.

Other Assets
Input VAT
Input VAT represents the VAT due or paid on purchases of goods and services that the Company can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT from sale of services or recover as refund or tax credit against future income tax liability of the Company upon approval of the BIR. A valuation allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. If the input VAT is finally determined to be unrecoverable, the amount is written off in profit or loss.

Refundable Deposits
Refundable deposits represent deposits made to the lessors as a guarantee for the Company’s full and faithful performance of each term, provision, covenant and condition of the contracts except that the said deposit shall not constitute or substitute payment of any rent. Security deposits are to be refunded at the expiration of the lease term.

Impairment of Nonfinancial Assets
At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets may be impaired. When an indicator of impairment exists, the Company estimates the recoverable amount of the impaired assets. The recoverable amount is the higher of the fair value less costs of disposal and value in use. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the impaired asset is written down to its recoverable amount.

An impairment loss is recognized in profit or loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal can be made only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Insurance Contract Liabilities
Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts is calculated on the basis of a stringent prospective actuarial valuation method where the assumptions used depend on the best estimates prevailing at the inception of the contract. Assumptions and actuarial valuation methods are also subject to provisions of the Code and guidelines set by the IC.

Subsequently, new estimates are developed at each reporting date to determine whether the liabilities reflect the current experience. Improvements and significant deteriorations in estimates have an impact on the value of the liabilities.

Life Insurance Contracts with Fixed and Guaranteed Terms
Premiums are recognized as revenue when they become due from the policyholders except for single premium business where the revenue is recognized when the policy becomes effective. Benefits are recorded as an expense when they are incurred and are accrued as a liability.

An increase in liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is determined as the sum of the present value of future benefits and expenses, less the present value of the future gross premiums arising from the policy contract discounted at the appropriate discount rates as published by IC. The expected future cash flows is determined using the best estimate assumptions with MfAD as prescribed by IC.

For policies with contract horizons of a year or less than a year, reserves are computed by calculating the unearned portion of the written premiums for the year.

The liability is based on actuarial assumptions such as mortality and morbidity, maintenance expenses, and lapse and/or persistency rates that are established at the time the contract is issued and updated at each valuation date, as needed. MfAD is also included in the assumptions.

Legal Policy Reserves
Legal policy reserves are determined by the Company's actuary in accordance with the requirements of the amended Insurance Code of the Philippines (Insurance Code) and represent the amounts which are required to discharge the obligations of the insurance contracts and to pay expenses related to the administration of those contracts. These reserves are determined using generally accepted actuarial practices and have been approved by the IC at the product approval stage.

Any movement in legal policy reserves of traditional life insurance policies arising from current period assumptions or changes in assumptions other than discount rate during the year are recognized under "(Decrease) increase in in legal policy reserves" in profit or loss.

While, net movement arising from changes in discount rate during the year are recognized directly in other comprehensive income as "Remeasurement on life insurance reserve".

The Company appropriates from the unassigned surplus an amount equal to the aggregate of the negative reserves calculated on a per policy basis. The corresponding legal policy reserves is presented as a debit balance account in the liabilities section of the statement of financial position.

Liability Adequacy Test
At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately recognized under "(Decrease) increase in in legal policy reserves" in profit or loss.

Claims and Benefits Payable
Claims payable includes the sum of the individual amounts that are due and have already been approved for payment but have not actually been paid as at the end of the reporting period. This also includes accrual of reported claims that are not yet approved for payment. This is recognized when due and measured on initial recognition at fair value.

Provision is also made for the cost of claims IBNR as at the reporting date. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statement of comprehensive income in later periods, when such revisions arise.

Claims IBNR represents the amount at the end of a particular period which is an estimate of the sum of the individual claims that already occurred but on which the notice has not yet been received by the Company. This estimate takes into account any policy reserve liability set-up by the Company and any amount recoverable from reinsurers.

Lease Liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at lease commencement date of August 1, 2023 for Taguig office. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases of Low-Value Assets
Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment and small items of office furniture.

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces. It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered by the Company as low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Employee Benefits
Short-term Employee Benefits
Salaries, wages, paid annual vacation and sick leave credits and other short-term employee benefits are accrued during the period in which the related services are rendered by employees of the Company. Short-term employee benefit obligations are measured on an undiscounted basis.

Other Long-term Employee Benefits
Other long-term employee benefits are long-term incentives which vest after three years. These are measured on a discounted basis.

Pension Liability
The net defined benefits liability or asset is the aggregate of the present value of the defined benefits obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following: service cost, net interest on the net defined benefits liability or asset; and remeasurements of net defined benefit liability.

Service costs which include current service costs, past service costs, and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when a plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Equity

Capital Stock

Capital stock is composed of common shares, determined using the par value of shares that have been issued. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Additional Paid-in Capital

Additional paid-in capital (APIC) represents the excess amount paid in total by the shareholders above the par value of a company's share.

These deposits are transferred and applied to capital stock upon approval by the SEC of the proposed increase in capital stock.

Accumulated Deficit

The accumulated deficit represents accumulated losses, net of dividends declared, if any, of the Company.

Appropriated Retained Earnings

This pertains to the aggregate amount of negative reserves on a per policy basis as a result of GPV prescribed by the IC.

Remeasurement Loss on Pension Obligation

This pertains to the cumulative amount of remeasurement of the pension liability arising from actuarial gains and losses due to experience and demographic assumptions.

Revenue Recognition

The Company's revenue streams arising from insurance contracts falls under PFRS 4 while interest income falls under PFRS 9 and other income under PFRS 15, *Revenue from Contracts with Customers*. The following specific criteria must also be met before revenue is recognized:

Premium Income

Premium income from life insurance contracts is recognized as revenue when payable by the policyholder. For new policies, revenue is first recognized on the effective date of the policy, provided that the single-pay premium or the first modal premium has been paid. Succeeding premiums are recorded as revenue on the date when the payments are due from policyholders.

The investment component received from the unit-linked insurance contracts is shown as part of premiums.

Interest Income
For interest-bearing financial assets at FVTPL, cash and cash equivalents and short-term investments, interest income is recognized as it accrues using the contractual interest rate.

Net Fair Value Gains or Losses
Financial assets at fair value through profit or loss are remeasured at each calendar month and the changes in the fair value are recognized in profit or loss.

Benefits, Claims and Expenses Recognition
Benefits and Claims
Benefits and claims consist of claims and insurance benefits incurred during the period, which include changes in the valuation of insurance contract liabilities. Claims are recorded on the basis of notifications received.

Cost on Premiums of Variable Insurance
Cost on premiums of variable insurance represents the investment component of the unit-linked insurance contracts portion, net of withdrawals. Cost on premiums of variable insurance are recognized consequently as premiums are earned which is on the effective date of the insurance policy for first year premiums and when premiums become due for succeeding premiums.

General and Administrative Expenses
General and administrative expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. These are recognized when incurred.

Underwriting Expenses
Underwriting expenses are recognized when the insurance contracts are entered into and the related premiums are recognized.

Taxes
Income tax for the year consists of current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income. Tax on these items is recognized in equity or other comprehensive income.

Current Tax
Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of MCIT over the regular corporate income tax and unused NOLCO, to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized.

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

Current tax and deferred tax relating to items recognized directly in other comprehensive income are likewise recognized in other comprehensive income.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at end of the reporting period. Movements in the deferred tax assets and liabilities arising from changes in the rates are charged or credited to profit or loss for the period.

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

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Events after the Financial Reporting Date

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

New Standards and Amendments to Standards Issued but Not Yet Adopted

New standards and amendments to standards are effective for annual periods beginning after January 1, 2024. However, the Company has not applied the following new standards and amendments to standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

The Company will adopt the new standards and amendments to standards in the respective effective dates:

Effective January 1, 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments* and PFRS 7, *Financial Instruments: Disclosures).* The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of recognition and derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date, if and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually linked instruments and non-recourse features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look-through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of PFRS 9.

Disclosures on investments in equity instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

Effective January 1, 2027

- PFRS 17, *Insurance Contracts* replaces the interim standard, PFRS 4. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

  - combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;

  - presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and

  - requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

  Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the ‘premium allocation approach’, investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer’s financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 *Financial Instruments* on or before the date of initial application of PFRS 17.

On March 19, 2025, Insurance Commission under Circular Letter No. 2025-04 that all insurance companies doing business in the Philippines shall adopt PFRS 17 in their audited financial statements for the submission to the Securities and Exchange Commission effective January 1, 2027. However, companies are allowed to adopt PFRS 17 in their audited financial statements beginning January 1, 2025.

As at December 31, 2024, the Company has undertaken to identify the key personnel and the roles assigned to each member of the PFRS 17 team. The team has identified the products that will be affected by the implementation of PFRS 17 and the appropriate approach to be used for each product. Investment-linked products shall follow the variable fee approach model whereas the yearly renewable term (YRT) products and whole-life products shall use the general measurement model.

In moving towards the implementation of the PFRS 17, the team has also developed a transition plan identifying the key milestones and deliverables throughout the project and putting up a governance structure to oversee the progress of the transition. The transition plan lays out the timeline and resource requirement for each stage of the project. The team has also attended relevant workshops and training courses to stay updated with PFRS 17 development. Ongoing inquiries with system providers are being conducted to examine the scope of work offered to clients. The expected impact of PFRS 17 transition is not yet estimable given there is no IT application or calculator yet available to the effect.

- PFRS 18, *Presentation and Disclosure of Financial Statements* will replace PAS 1, *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

  - A more structured income statement. PFRS 18 promotes a more structured income statement. It introduces a newly defined ‘operating profit or loss’ and ‘profit or loss before financing and income tax’ subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company’s main business activities.

    PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis.

    Companies need to choose the presentation method that provides the ‘most useful structured summary’ of those expenses. New disclosures apply if any operating expenses are presented by function.

  - Management-defined performance measures. PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

  - Greater disaggregation of information. PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an items’ characteristics.

  PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

  Consequential amendments to PAS 7, *Statement of Cash Flows* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

  PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

- PFRS 19, *Subsidiaries Without Public Accountability: Disclosures* permits a subsidiary to apply the requirements of PFRS Accounting Standards with the reduced disclosure requirements of PFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:

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

  Eligible subsidiaries may apply the standard for reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

25. Event After the Reporting Period

On January 2, 2025, the Company received additional capital infusion in the amount of P600 million in cash from Singapore Life Holdings Pte. Ltd. The additional capital infusion covers the deficiency against the minimum net worth requirement of P1.30 billion (Note 23).

26. Supplementary Information Required by the BIR based on Revenue Regulations No. 15-2010

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS Accounting Standards.

The following are the tax information required for the taxable year ended December 31, 2024:

A. VAT

1. Output VAT	**P205,768**
2. Input VAT	
Beginning of the year	**P39,297,352**
Current year’s domestic purchases:	
a. Services lodged under other accounts	**-**
	P39,297,352

B. Documentary Stamp Taxes

On life insurance policies and others	**P2,889,840**

C. Withholding Taxes

Tax on compensation and benefits	**P52,107,531**
Creditable withholding taxes	**17,315,171**
Final withholding taxes	**5,930,313**
	P75,353,015

D. Taxes on Importation

The Company does not have any customs duties or tariff fees in 2024 since it does not have any importation.

E. Excise Tax

The Company does not have any excise tax in 2024 since it does not have any transactions which are subject to excise tax.

F. All Other Taxes (Local and National)

Premium taxes	**P7,639,692**
License and permit fees	**2,467,571**
	P10,107,263

G. Tax Cases

The Company has no deficiency tax assessment or any tax case, litigation, and/or prosecution in courts or bodies outside the BIR as at December 31, 2024.

SINGLIFE PHILIPPINES INC.

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

	December 31	
	2024	2023
Audit of the financial statements	**P1,196,000**	P1,117,000
Non-audit fees	**-**	-
	P1,196,000	P1,117,000

The Company's fee for the audit of the annual financial statements are based on a fixed fee arrangement and recorded as 'Legal and professional fees' under General and administrative expenses in the statements of profit of loss and other comprehensive loss amounted to P1.20 million and P1.11 million in 2024 and 2023, respectively. There is no non-audit service rendered to the Company.

The Company's policy allows KPMG Philippines to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include regulatory and prudential reviews requested by regulators. Any other services that are not audit or audit-related services are non-audit services.

The Company's policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. KPMG Philippines may not provide services that are perceived to be in conflict with the role of an external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the external auditor may ultimately be required to express an opinion on its own work.