

# **PRESIDENT'S REPORT**

**EDGARDO P. DAVID**

*President & General Manager*

## **INTRODUCTION**

This report covers the operating results and financial condition of our Corporation for the year ending and as of December 31, 2018 with comparative figures for 2017.

## **I. RESULTS OF OPERATIONS**

### **A. UNDERWRITING INCOME**

Our Gross Premiums Earned for the year 2018 amounting to Php644,986,418 was Php142,691,546 or 28.41% higher than last year's Php502,294,872. Motor Car with Php152.6M, Bonds with Php359.9M and CARL with Php123.3M were the lines which contributed mainly to the increase in gross premiums.

Our Premium Ceded increased by Php5,498,123 or 25.63% although our Net Retention Limit increased from Php43M to Php100M per risk.

Net Premium for 2018 of Php618,069,284 was higher than previous year's Php480,843,198 by Php137,226,086 or 28.54%.

Commissions Earned during the year of Php8,412,729 was higher than 2017's Ph6,989,595 by Php1,423,154.

Gross Underwriting Income increased by Php138,649,240 from Php487,832,773 in 2017 to Php626,482,013 in 2018.

## B. UNDERWRITING DEDUCTIONS

Underwriting Deductions consisted of the following:

	2018	2017	Increased (Decreased)	%
<b>Losses and Loss</b>				
<i>Adjustment Expenses</i>	P 66,515,704	P 87,841,012	(P 21,325,308)	24.28
Commission expenses	175,650,712	146,690,315	28,960,397	19.74
Other Underwriting Costs	171,465,106	149,645,352	21,819,754	14.58
<b>Total</b>	P 413,631,522	P 384,176,679	P 29,455,132	7.67

## C. NET UNDERWRITING INCOME

The Net Underwriting Income for the year 2018 amounted to Php212,850,491 which is higher by Php109,194,397 or 105.3% than the previous year's Php103,656,094.

## **D. OPERATING EXPENSES**

Our Investment and Other Income decreased by Php6,523,310 from Php15,543,994 in 2017 to Php9,020,684 in 2018.

## **E. INVESTMENTS AND OTHER INCOME**

Our Operating Expenses during the year amounted to Php101,397,296 compared to Php73,618,387 in 2017, an increase of Php27,778,909 or 37.73%. This was caused mainly by increase in Salaries and Wages, Rent Expenses, Employees Privileges and Representation Expenses.

## **F. NET INCOME**

Our Net Income of Php86,387,299 during the year was Php62,368,054 higher than last Year's Php24,019,245.

## **II. FINANCIAL CONDITION AS OF DECEMBER 31, 2018 AND 2017**

**A.** Our TOTAL ASSETS AS OF DECEMBER 31, 2018 amounted to Php1,591,328,248 compared to Php1,132,272,943 as of December 31, 2017.

Total Investments (Real Estate, Treasury Bills, Bonds and Shares of Stocks amounted to php915,618,509 as of December 31, 2018 and Php321,515,478 as of December 31, 2018.

**B.** Our Total Liabilities as of end of 2018 amounting to Php496,548,866 was Php132,419,003 higher than Php364,129,863 as of end of 2017.

**C.** Our Stockholders' Equity increased by Php 326,636,302 from Php768,143,080 as of end of 2017 to Php1,094,779,382 as of end of 2018.

I would like to thank the Stockholders, the members of the Board of Directors, the Branch Managers', employees and our agents as well as our policyholders for their continued support, without them, we cannot achieve what we are now today.

Thank you.